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Japan

U.S. Group Criticizes Rice Tariff Refusal

OW2602235692 Tokyo KYODO in English 2347 GMT 26 Feb 92

[Text] Washington, Feb. 26 (KYODO)—The U.S Rice Millers' Association on Wednesday condemned as "outrageous" a Japanese decision to exclude rice from a list of tariff-reduction offers Tokyo plans to submit to the Uruguay Round of multilateral trade talks next week.

"This outrageous omission proves Japan is not working to bring about a successful conclusion of the Uruguay Round," the group's president, David Graves, said in a statement.

Graves' reaction followed reports from Tokyo that the Japanese Government has decided not to convert its curbs on rice imports into tariffs when Japan presents its tariffication proposal to the General Agreement on Tariffs and Trade (GATT) by March 1.

GATT Director General Arthur Dunkel has proposed that GATT member countries switch all import restrictions to tariffs to salvage the stalled Uruguay Round talks.

The talks, launched in 1986, have been in limbo since December, primarily over agricultural trade, a politically sensitive subject [words indistinct] European Community, and other farm-exporting nations.

Although Japan is a major food importer, it bans rice imports on the grounds that the nation must be self-sufficient in the staple food.

Graves said the Japanese decision "warrants immediate reaction" from the U.S. and called on the U.S. administration to use every retaliatory tool to force Japan's rice market.

He said the U.S. rice industry is already working with members of Congress to get legislation that would force the government to file an unfair trading practices complaint against Japan.

"We have always said the U.S. should use any and all means allowed by U.S. trade law to open the Japanese rice market," he said.

U.S, Tokyo Discuss Market-Access Commitments

OW2702032092 Tokyo KYODO in English 0307 GMT 27 Feb 92

[Text] Washington, Feb. 26 (KYODO)—Senior trade officials from Japan and the United States met Wednesday in a bid to define new commitments from both countries on removing structural barriers to trade and investment, U.S. officials said.

The U.S. officials who attended the daylong meeting told reporters that the proposed commitments would require new legislative, budgetary, and administrative measures on the part of the Japanese Government.

The talks, a follow-up of the trade initiative concluded between President George Bush and Japanese Prime Minister Kiichi Miyazawa last month, covered six areas of structural barriers to trade and investment issues, such as Japan's distribution system and its alleged exclusionary business practices.

The two sides agreed to meet again next month to begin drafting an agreement that would embody the new commitments on how to spur trade and investment, the U.S. officials said.

The objective of the meeting Wednesday was to enable the two countries to "work cooperatively" on how to reduce impediments and open up markets, deputy U.S. Trade Representative Michael Moskow told reporters after emerging from the talks at the State Department.

Moskow, one of the six U.S. officials who attended the meeting, said deputies from the two sides will meet again next month to thrash out the proposals raised during the marathon session.

The talks to remove the perceived impediments to trade and investment stem from the Structural Impediments Initiative (SII) the two countries launched in 1989.

U.S. officials said that while there have been "notable successes" arising from the SII process, the U.S. believes the Japanese market is still not as open as that in the U.S.

"We believe more can be done," said Undersecretary of Commerce for International Trade Michael Farren, who also took part in Wednesday's talks.

While refusing to elaborate on the new commitments discussed at the meeting, Moskow cited the grain feed, glass, insurance, mergers and acquisitions, and auto parts industries as specific cases the U.S. side raised to illustrate problems foreign businesses face in penetrating the Japanese market.

Sumitomo Subsidiary Accused of Sexual Harassment

OW2702014892 Tokyo KYODO in English 0127 GMT 27 Feb 92

[Report by Antonio Kamiya]

[Text] Washington, Feb. 26 (KYODO)—The head of a Congressional panel lashed out Wednesday at the U.S. subsidiary of Sumitomo Corp. for allegedly retaliating against an American female employee for testifying last fall about sexual harassment and sex-based job bias at the company.

Kenji Miyahara, president of a major Japanese trading house's Sumitomo Corp. of America (SCOA) unit, the target of accusations levied by Kimberly Carraway, a 24-year-old former sales assistant at its Chicago office, denied the allegations.

Carraway, who testified last September of sexual harassment and job bias against American workers at her workplace, charged that she received threatening phone calls and letters and was wrongfully suspended from her job two weeks after her Congressional testimony.

"I have been embarrassed, pained, and humiliated by the sex, race, and national-origin discrimination and sexual harassment which I experienced at SCOA," she told the House of Representatives Employment and Housing Subcommittee, the same panel that conducted last year's job discrimination hearings.

"In addition, I have been embarrassed, pained, and humiliated and frightened by the subsequent retaliation by SCOA for my testimony," she testified under oath to the House panel.

Rep. Tom Lantos, the subcommittee chairman, said an investigation conducted by staffers of the subcommittee has found incriminating evidence against Sumitomo.

"At best, Sumitomo mishandled the situation in the extreme—they bungled it, creating an appearance of retaliation. At worst, Sumitomo was out to get Ms. Carraway for her damaging and embarrassing testimony to Congress," the California Democrat said.

Miyahara, who also testified under oath before the Lantos panel, categorically denied Carraway's allegations but pledged to review employment practices at SCOA.

"I have ordered a complete review of our employment and equal opportunity policies, to ensure that we encourage and manage diversity effectively within our company," Miyahara said.

The controversy stems from testimony Carraway made to the Lantos panel September 24, alleging that advancement opportunities at Sumitomo are limited for American workers and that women are banished to a separate and unequal career path.

She also told the subcommittee of being subjected to sexual harassment at her workplace, such as being asked by her Japanese supervisor for photos of herself in a swimsuit, finding a G-string on the floor near her boss's desk, and being exposed to sexist remarks and practices.

A graduate of Texas Tech University, Carraway joined Sumitomo in October 1990, working at the Chicago office as a sales assistant at the auto-components department until she resigned in December last year.

She later filed a sexual harassment suit with the Commission of Equal Employment Opportunities and a sex-based discrimination suit with the Commission of Human Relations, both federal agencies.

In testimony Wednesday, Carraway and Miyahara gave conflicting accounts on practically every detail of the allegations.

Carraway said at the hearing last fall that pornographic calendars were "in every man's desk" at Sumitomo's 60-person Chicago office, but Miyahara contended that "no other employee (there) has said he or she saw any such calendar."

A calendar that Carraway found, he said, was "not openly displayed but (hidden) beneath piles of paper on one person's desk."

Carraway testified she found "stacks" of PLAYBOY magazines openly displayed on a conference table at the office, but Miyahara said an investigation conducted by the company showed that a mail-room employee kept PLAYBOY magazines in the mail room "concealed within a closed box, in turn concealed under other boxes."

Miyahara said a male employee at the Chicago office had kept G-strings but he denied they were displayed publicly.

The items were inside two bags, Miyahara said, offering a detailed account of how those "private, personal belongings" were kept.

"The G-strings in these bags and a 1991 issue of PLAYBOY magazine in turn were enclosed within an office envelope, which in turn was enclosed in a shopping bag, directly beneath his desk," he said.

Miyahara also contended that Carraway was not improperly suspended after her Congressional testimony.

He said she was put on leave with full pay, eventually lasting four days, to alleviate tension her testimony allegedly created in the office.

A Sumitomo counsel testified that Carraway's lawyer had asked for 35,000 dollars in compensation before she eventually left the company last December.

U.S. Considers Lifting Sanctions on Company

OW2702004192 Tokyo KYODO in English 0010 GMT 27 Feb 92

[Text] Tokyo, Feb. 27 (KYODO)—U.S. legal authorities and a Japanese electronics company will likely reach a settlement as early as next week that will mean the lifting of U.S. sanctions against the company for exporting missile parts illegally to Iran, a Japanese newspaper said Thursday.

The legal settlement would pave the way for the U.S. State Department to partially remove a ban on production of U.S.-licensed aircraft gyroscopes and navigation equipment by Japan Aviation Electronics Industry Ltd., the NIHON KEIZAI SHIMBUN said, quoting a source in Japan's Defense Agency.

The newspaper said the legal deal would require the top Japanese aerospace manufacturing company to pay penalties for making the illegal exports.

The amount of the penalties is unknown, but could reach billions of yen, which would deal a serious blow to the Japanese company, the newspaper said.

The company has been negotiating with U.S. legal authorities since mid-January on a settlement of the ban, which covers production, repairs, sales, and supplies of all equipment using American technology and parts.

Japan Aviation Electronics Industry Ltd. was indicted in Japan last September on charges of exporting parts for U.S.-made missiles to Iran in 1988 and 1989 without government approval.

It also has been charged in the United States with selling U.S.-designed aircraft equipment to the Hong Kong and Singapore subsidiaries of a U.S. company between 1984 and 1987, knowing they would be reshipped to Iran. A U.S. embargo on weapons sales to Iran was in effect at that time.

Toronto, U.S. To Discuss Canadian-Made Hondas

OW2702012692 Tokyo KYODO in English 0110 GMT 27 Feb 92

[Text] New York, Feb. 26 (KYODO)—Canada will open talks with the United States on Friday over a U.S. decision to charge import duties on Honda cars built in Canada, a spokesman for Canada's Ministry of International Trade said Wednesday.

The spokesman told KYODO News Service in a telephone interview from New York that Canada had asked the U.S. to enter into formal talks on the issue.

The U.S. Customs Service earlier this month disclosed it would raise the tariffs on Civic models shipped from Honda's Canadian assembly plant and impose 17 million U.S. dollars in back duties.

In its preliminary ruling, the customs service said Canadian-made Civics are not eligible for duty-free status under the U.S.-Canadian Free Trade Agreement because the cars contain less than 50 percent of parts made in the U.S. or Canada.

Honda Motor Co. maintains that the cars' North American content reaches 69 percent.

The U.S. Customs Service is scheduled to make a final ruling on the issue.

European, U.S. Firms Seek Jet Project Partners

OW2702021392 Tokyo KYODO in English 0100 GMT 27 Feb 92

[Text] London, Feb. 27 (KYODO)—Japanese companies are being wooed by European and American aerospace companies to take part in the creation of a new generation of jumbo passenger jets for the 21st century. Airlines in the Asia-Pacific area, including two from Japan, are expected to be the main customers for the ultra-large aircraft carrying at least 600 passengers.

Senior executives of Europe's Airbus Industrie Consortium and Boeing Co. of the United States revealed details of their thinking on the project at a recent conference on Asia-Pacific aviation sponsored by Britain's FINANCIAL TIMES newspaper.

The airline industry in the West has been going through tough times in recent years, with several American airlines going bankrupt and leading European flag carriers talking mergers as the only way of remaining competitive.

This is in sharp contrast with the Asia-Pacific region, where passenger traffic is expected to double by the end of the decade.

But airport and air traffic congestion is seen as a potentially serious curb on the longer-term expansion of the industry if more passengers only lead to more flights, hence the aircraft manufacturers' belief that there is good business potential in a new generation of larger passenger planes.

The average size of jets in the Asia-Pacific region, at 228 seats, is already larger than in other parts of the world, and is expected to rise to an average 334 seats within the next 20 years.

"This will obviously require the delivery of substantial numbers of aircraft very much larger than anything flying today," said Adam Brown, Airbus planning director.

He told the conference that the market for 600-seat jumbo jets would be highly concentrated, with almost two-thirds of the new aircraft being required by only nine airlines.

Five of these are in Asia—Japan Airlines, All Nippon Airways, Hong Kong-based Cathay Pacific and Singapore Airlines, and Korean Air.

The consortium forecasts overall demand at about 700 planes, with the first coming into service 10 years from now. Development costs would be in the region of 6.4 billion dollars.

"I believe that the design and development of this giant aircraft represents the next great challenge for commercial aviation," the Airbus executive said. "It could offer an extraordinary opportunity for the manufacturing industry in the Asia-Pacific region."

Brown said he had already visited Japan twice to sound out prospects for manufacturers there to become partners in the development.

Japan's three leading aerospace companies—Kawasaki Heavy Industries Ltd., Fuji Heavy Industries Ltd., and

Mitsubishi Heavy Industries Ltd.—already cooperate with Boeing in producing planes of 100 to [number indistinct] seats.

But Brown suggested they could find partnership with Airbus on the ultra-large aircraft more attractive than continuing with the Boeing link, because, he said, the American company had shown reluctance to cooperate on core technologies and know-how and has restricted its Japanese partners to a subcontracting role.

But Brown conceded that there was probably a psychological barrier to be overcome, as the Japanese manufacturers were likely to be nervous of abandoning their traditional ally.

A Boeing executive speaking at the same conference said the company had established a project team to look at the logistics of a new generation of larger jumbos, and had been canvassing airlines for their preferences.

Richard Albrecht, a Boeing executive vice president, said there were three options—stretching the present Boeing 747-400, extending the jumbo's upper deck over the entire length of the fuselage, or developing a completely new double-decker aircraft.

Boeing is also considering developing the new aircraft with a folding wingtip to enable it to use existing 747 terminal gates at airports—a potentially attractive cost-saving measure.

Albrecht said it was too early to say if the market would be able to sustain more than one new jumbo aircraft project, which would be very expensive. Thus, the participation of the Japanese and their choice of partner could become crucial.

Asian-American aerospace cooperation is already set to grow in the near future. McDonnell Douglas Corp. of the U.S. is already seeking Taiwanese and possibly South Korean help in the development of a larger version of its MD12 three-engine jet. This would include selling a 40 percent stake in its commercial aircraft operations to Taiwan Aerospace for 2 billion dollars.

At the same time, British Aerospace (BAE)—which has a 20 percent stake in the Airbus Consortium—has disclosed that it is talking with the leading Japanese companies about another alliance, this time to develop a 100-seat regional airliner.

BAE, keen to develop links with Japan to strengthen its presence in the Asia-Pacific market, is offering its potential partners a chance to participate fully from the initial development stage. The British firm already has a Japanese link—with Honda Motor Co.—through its Rover Auto subsidiary.

Kato Comments on PRC's Spratly Islands Law

OW2702055392 Tokyo KYODO in English 0527 GMT 27 Feb 92

[Text] Tokyo, Feb. 27 (KYODO)—A new Chinese law claiming the disputed Senkaku Islands [Spratly Islands] in the East China Sea is not expected to mar bilateral relations, the top government spokesman said Thursday.

The law stipulating Chinese sovereignty over the islands, called the Diaoyutai by China, marks a reiteration of Beijing's official position, said Chief Cabinet Secretary Koichi Kato.

Kato said he does not expect the matter to affect the decision on a possible fall visit to China by Emperor Akihito or other high level exchanges being planned to mark the 20th anniversary of normal Tokyo-Beijing ties.

Vice Foreign Minister Hisashi Owada lodged a protest Thursday with Chinese Ambassador Yang Zhenya in Tokyo, following one Wednesday night by the Japanese Embassy in Beijing over the law.

Yang said he hoped the issue would not harm the countries' friendly bilateral relations, according to the Japanese Foreign Ministry.

Prime Minister Kiichi Miyazawa said "Japan claims that (the islands) are its indigenous territory" and added that Japan "could not accept the new law."

Miyazawa said that in response to a 1978 dispute on the islands, Chinese leader Deng Xiaoping pledged not to allow the conflict to become a major obstacle to bilateral relations.

In reply to the protests, China said, "There is no doubt that under international law the Diaoyutai have been China's territory from ancient times, therefore the Japanese Government's protest is unnecessary," according to the Japanese Foreign Ministry.

"I think the (law) is one element of China's current effort to consolidate its legal system," Kato told [words indistinct] news conference.

"In the past both sides have maintained different positions, so I don't think there will be any disruption" of bilateral relations, he said.

Kato said it was "impossible" that the friction could lead to a military clash, although the law, reportedly backed by the military, would allow military force to keep out foreign naval or research vessels.

Tokyo has not issued any new instructions to the maritime safety agency, which regularly patrols the waters around the islands thought to be rich in oil reserves, Kato said.

Taiwan also claims the islands, all of them uninhabited, located 150 kilometers northwest of Japan's Yaeyama Archipelago in Okinawa Prefecture.

The last flare-up over the islands occurred in October 1990, when Japanese patrol boats prevented two Taiwanese boats from landing to plant an Olympic torch intended to symbolize Taiwan's sovereignty.

Taiwan and China cite Chinese documents dating to the 16th century Ming Dynasty and the islands' geographical location as evidence to back their claim to sovereignty.

Japan, citing historical background and international law, says it acquired the islands when it annexed Okinawa in 1879.

When the United States returned Okinawa to Japanese administration in 1972, it said the Senkaku Islands were part of the archipelago but that conflicting claims over sovereignty would be a matter for resolution by the parties concerned.

Miyazawa Questioned on Spratly 'Misunderstanding'

OW2702130492 Tokyo KYODO in English 1233 GMT 27 Feb 92

[Text] Tokyo, Feb. 27 KYODO—Prime Minister Kiichi Miyazawa's comments may have for the third time this month invited international "misunderstanding," this time over a territorial dispute with Japan's neighbor China.

But a Foreign Ministry official said he does not expect the latest comments to stir up any political waves.

Speaking with reporters Thursday, Miyazawa said there was "an arrangement with Mr. Deng Xiaoping" and that is why Japan lodged a protest over a Chinese law laying claim to the Senkaku Islands in the East China Sea.

Foreign Ministry officials were hard pressed to explain just what "arrangement" the prime minister was referring to.

"The statement invites misunderstanding, there was no such arrangement," said one official, who requested anonymity.

He said Miyazawa was probably referring to a 1978 incident in which scores of Chinese fishing vessels set sail for the Senkaku Islands in a display of China's sovereignty prior to finalizing a friendship treaty with Japan.

Later, Deng, then vice premier of China, and Japan's then foreign minister Sunao Sonoda verbally agreed that such incidents should be avoided, the official said.

Miyazawa, clarifying his comment afterward, told reporters he had been thinking about Sonoda's actions in 1978 when he spoke earlier in the day.

Miyazawa caused a diplomatic stir with the United States earlier this month when he suggested the American work ethic is in decline.

Last week, he revised his prediction that U.S. Republican candidate Patrick Buchanan would not be the next American president, after aides expressed concern that the comment could harm Japan-U.S. ties.

China and Taiwan both claim that the Senkaku Islands, known as Diaoyutai in Chinese, are China's territory based on historical documents dating back to the 16th century Ming Dynasty.

Japan, however, says it acquired the islands when it annexed Okinawa in 1879 and following World War II, the United States returned the islands with the reversion of Okinawa in 1972.

The seas surrounding the uninhabited islands are rich fishing grounds and the area is believed to be a source of offshore oil.

Tokyo 'Vying' To Coordinate New Arms 'Regime'

OW2702130992 Tokyo KYODO in English 1243 GMT 27 Feb 92

[Text] Tokyo, Feb. 27 KYODO—Foreign Minister Michio Watanabe said Thursday that Japan is vying to serve as the "contact point" for a new nuclear nonproliferation regime to control trade in items that could be used by countries seeking to develop nuclear weaponry.

Watanabe said Japan hopes that its permanent mission to international organizations in Vienna will be selected to provide the necessary facilities and services for the parties to the soon-to-be established export regime for nuclear-related dual use items.

A ministry source said that while a number of other countries are competing for the honor, Japan is the first to make its candidacy public and it has already received "the support of many countries."

A decision is expected to be reached at a meeting of the 27 parties to the London guideline, the so-called "Nuclear Suppliers Group," in Warsaw from March 31 to April 3.

The London guideline, set up in 1978 in the wake of India's explosion of a nuclear device, regulates exports by its members of materials, equipment and technology specifically intended for nuclear purposes, such as nuclear reactors and nuclear materials.

But there exists no regime regulating the transfer of other items that could be used in the making of nuclear weapons, even though they may not be specifically designed for such use.

Officials said the need for such a regime became especially urgent when it was found after the Persian Gulf war how far along Iraq was in its nuclear weapons program.

The new regime, which has been fully worked out over the last year in four working group meetings, will be formally announced at the Warsaw meeting.

Officials said the number of controlled items to be covered on the list of the new regime will be second only to that of the Coordinating Committee for Export Controls (Cocom), a 17-nation watchdog body established in 1948 to monitor sensitive exports to communist nations.

Cocom restrictions have not been applied to nations such as Iraq and with the end of the cold war and communism in Eastern Europe, that body has become substantially less relevant in the contemporary world.

Officials said that while some 100,000 items exported by Japan are covered by Cocom, an estimated 10,000 to 100,000 items will be covered under the new regime.

Just as the United States Embassy in Paris serves as the contact point for Cocom, so Japan is hoping to serve as the contact point for the regime.

Officials said Tokyo is also offering its embassy in Vienna as a contact point for the London guideline.

They said the concrete functions of the prospective contact point or points will be discussed at the Warsaw meeting.

Officials said that Japan's "sales points" in its campaign are its strict policy principles of neither possessing nor manufacturing nuclear weapons and its active role on the international stage in promoting nuclear nonproliferation.

They said it is also hard for other countries to overlook Japan's status as the only country ever to have been bombed by atomic weapons.

Foreign Minister on Timing Slovenia Recognition

OW2702040792 Tokyo KYODO in English 0342 GMT 27 Feb 92

[Text] Tokyo, Feb. 27 (KYODO)—Foreign Minister Michio Watanabe told his Slovenian counterpart Dimitrij Rupel on Thursday that Japan will recognize his country after assessing the situation in Yugoslavia, ministry officials said.

Watanabe was quoted as saying there was "no major problem" in extending diplomatic recognition to the former Yugoslav republic and that Tokyo was "considering the timing."

Rupel called for Japan to recognize Slovenia as soon as possible, saying the recognition would be important in bringing peace to the crumbling Yugoslav Federation, the officials said.

He was quoted as saying recognition of Slovenia and Croatia by the European Community has helped stabilize the situation. Japanese recognition of Slovenia would help stabilize the situation in the Republic of Bosnia and Herzegovina, Rupel reportedly said.

Slovenia formally declared independence last October and has been recognized by more than 40 countries.

Rupel arrived in Tokyo on Tuesday for a four-day visit.

Slovenian Foreign Minister Meets With Owada

OW2702082992 Tokyo KYODO in English 0736 GMT 27 Feb 92

[Text] Tokyo, Feb. 27 KYODO—Slovenian Foreign Minister Dimitrij Rupel on Thursday said Japan and the United States are both likely to extend diplomatic recognition to all four breakaway Yugoslav republics in "in a few weeks time."

Rupel said in an interview with KYODO News Service he was told by Foreign Minister Michio Watanabe earlier in the day Japan is "ready for recognition" of Slovenia and "it is a question of timing and not a question of principle."

He suggested Japan and the U.S. would move in step to recognize Slovenia, Croatia, Bosnia-Herzegovina, and Macedonia if the European Community (EC) agrees to recognize the latter two republics when it reconvenes a Yugoslav peace conference March 9 in Brussels.

But Foreign Ministry sources said it remains unclear if the path will be cleared for EC recognition by the time of the conference because an imminent referendum on independence in Bosnia-Herzegovina could be delayed and Greece continues to object to recognition of Macedonia.

Rupel, who arrived in Japan on Tuesday for a four-day official visit, said the Japanese and U.S. positions on the breakaway Yugoslav republics are similar in that both have been hesitant to recognize Slovenia alone, or Slovenia and Croatia together.

"As far as I can see, (the Americans) have decided to recognize the four republics together," said Rupel, who met with senior U.S. officials in Washington on February 19 and discussed some "dates."

He said in three hours of talks Wednesday with Vice Foreign Minister Hisashi Owada, he was told Japan is also considering recognizing the four republics "as one package," among several scenarios.

Rupel said Owada told him Japan has been cautious in deciding on whether and how to go about recognizing the breakaway republics because of its concern over undermining the existence of Yugoslavia as a "formal political and legal entity."

He said he was also told Japan wants to avoid destabilizing the fragile ceasefire in effect between Croatia and Serbia and act in a way that will facilitate a resolution to the problem "in its entirety."

Some 50 countries led by the EC have already recognized Slovenia and Croatia, including Russia and Canada. In the Asia-Pacific region, so far only Australia and New Zealand have done so.

Rupel said while Slovenia attaches priority to attaining international recognition for itself, recognition of all four breakaway republics would be "useful in resolving the entire regional conflict as soon as possible."

In an apparent jab at Serbia, he said, "we have found from the past that nonrecognition of the new realities has encouraged the aggressive forces in Yugoslavia to continue with their aggressive activities."

He said recognition of ethnically diverse Bosnia-Herzegovina is especially urgent to ward of the possibility of its being divided between Serbia and Croatia, which he said would trigger "bloodshed and animosities" and a movement of people not seen since the 1947 division of Pakistan and India.

Foreign Ministry sources said Japan, in considering the timing for recognition of Slovenia and other republics, is awaiting the results of the Bosnia-Herzegovina independence referendum this weekend.

Rupel welcomed the U.N. Security Council's decision Friday to dispatch about 14,000 peacekeepers to Croatia to enforce the shaky six-week ceasefire until a political settlement is reached.

He called for Japanese investment in Slovenia and said he expects a mission from the Japan External Trade Organization (JETRO) to visit Slovenia shortly after Japanese recognition.

Slovenia declared its independence last June and in October began taking numerous steps to consolidate that goal after having agreed the previous July to a three-month moratorium as part of EC-brokered peace efforts.

It is also widely regarded as the most western and wealthiest of the six Yugoslav republics, producing about 20 percent of the country's gross national product (GNP) and almost 30 percent of its exports, despite accounting for only 8.4 percent of the population with 1.9 million inhabitants.

Russian Official Replies to Watanabe Complaint

OW2702131192 Tokyo NHK General Television Network in Japanese 1000 GMT 27 Feb 92

[Text] At fishing talks held recently between Russia and South Korea, the two nations agreed on fishing by South Korean fishing boats within the territorial waters of the northern territories. Referring to the fishing agreement between Russia and South Korea at today's session of the upper house Foreign Relations Committee, Foreign Minister Watanabe said that the Japanese Government would file a formal protest with the Governments of Russia and South Korea after explaining Japan's position on it. The foreign minister made this statement when he answered a question by Hiroshi Miyazawa from the ruling Liberal Democratic Party at the session. At the session, the foreign minister said: The Japanese Government has thus far asked the South Korean Government to refrain from allowing fishing by South Korean fishing boats within the territorial waters of the northern territories. I understand that the South Korean Government has accepted the request from our government. The fishing agreement between Russia and South Korea on the fishing by South Korean fishing boats within the waters is very regrettable. The Japanese Government intends to explain anew Japan's position to the two countries at high-level talks and to ask them to take remedial measures. In this way, the foreign minister indicated that the Japanese Government would file a formal protest with the Governments of Russia and South Korea.

In the 26 February interview with the NHK, Panov, chief of the Southeast Asia and Pacific Bureau of the Russian Foreign Ministry, said that the islands now belong to Russia, and there is no problem with fishing by South Korean fishing boats within the waters. In the interview, the Russian official also stressed that Russia has already warned Japan of the occurrence of such a situation. Asked if the fishing agreement concluded between Russia and South Korea ,at a time when Japan and Russia are talking about the northern territories, runs counter to the spirit of a Japan-Russian agreement, Mr.Panov said: Japan is talking with Russia while asserting that the northern territories are an inherent part of Japan's territory. At present, the northern territories belong to Russia. The fishing agreement has been concluded between Russia and South Korea within the framework of Russian laws and hence, there is no problem with the fishing agreement. In the interview, Mr. Panov also said: Japan has made no positive response to requests from Russia for economic assistance to areas near the northern territories and it is ridiculous for Japan to ask Russia to reject any offer from a third nation for this sort of economic cooperation, adding that the Russian side notified the Japanese side of proposals from third nations, including South Korea, for economic cooperation at working-level talks on the conclusion of a peace treaty held in Tokyo last June. In the interview with the NHK, the Russian official revealed that he knew about the fishing agreement between Russia and South Korea for the first time on 24 February. His revelation indicated that there have been no close work contacts between the Russian Foreign Ministry and the Russian Fishing Committee.

Tokyo 'Ready To Send' Personnel to Cambodia

OW2702093892 Tokyo KYODO in English 0923 GMT 27 Feb 92

[Text] Tokyo, Feb. 27 KYODO—Japan is ready to send personnel to assist in the multibillion dollar peace operation in Cambodia, Chief Cabinet Secretary Koichi Kato said Thursday.

However, Kato said the contribution would be limited in scope unless parliament passes a bill that would permit members of the Self-Defense Forces to serve in peacekeeping forces. Kato cited election observers and medical staff as positions Japanese might fill.

Prime Minister Kiichi Miyazawa has stated that passage of a U.N. peacekeeping bill is a priority of his four-month-old cabinet. However, many observers are skeptical over the future of the legislation.

The bill was passed by the House of Representatives in December before being held over to the current session scheduled to last through summer.

Legislators in the opposition-controlled House of Councillors have vowed to defeat the bill.

The United Nations unveiled plans last week for a 2 billion dollar peacekeeping operation involving 22,000 foreign staff, the majority of them military.

Watanabe Urges Passage of Peacekeeping Bill

OW2702144892 Tokyo KYODO in English 1431 GMT 27 Feb 92

[Text] Tokyo, Feb. 27 KYODO—Foreign Minister Michio Watanabe urged Diet members Thursday to pass a government-proposed U.N. peacekeeping operations bill, so Japan can give full assistance to U.N. efforts to restore war-torn Cambodia.

Watanabe was replying to Hiroshi Miyazawa, younger brother of Prime Minister Kiichi Miyazawa and a member of the ruling Liberal Democratic Party (LDP), at a session of the Foreign Affairs Committee of the House of Councillors.

The foreign minister called for an early enactment of the bill to provide full assistance to the United Nations Transitional Authority in Cambodia (UNTAC), which he said is a peacekeeping body.

UNTAC will demobilize all factions in the Cambodian war and oversee elections set for April 1993.

Watanabe said public safety should first be restored in Cambodia before sending administrative officials there, indicating that Japan's contribution might be limited both in scale and time frame if it only sends civilians.

The peacekeeping operations bill, which would enable Japanese troops to be sent overseas, passed through the LDP-dominated House of Representatives during the previous session of the Diet last year.

But the bill was carried over to the current Diet session for further discussions in the opposition-controlled upper chamber.

Following Watanabe, the Foreign Ministry's U.N. Bureau Chief Minoru Tanba told the committee it would be difficult for Japan to send many personnel to Cambodia unless the peacekeeping bill is passed in the Diet.

LDP's Kanemaru Urges Cutting Discount Rate

OW2702070692 Tokyo KYODO in English 0637 GMT 27 Feb 92

[Text] Tokyo, Feb. 27 KYODO—Shin Kanemaru, vice president of the ruling Liberal Democratic Party (LDP), reiterated the necessity Thursday to cut the official discount rate by 0.5 percentage point to 4 percent per annum as business has been on the decline.

Kanemaru also asked for Prime Minister Kiichi Miyazawa's political decision on the key interest rate reduction in remarks at a general meeting of the biggest LDP faction, which was founded by former Prime Minister Noboru Takeshita. Kanemaru currently serves as its president.

Kanemaru, regarded as the most powerful political figure, apparently criticized the Bank of Japan (BOJ), which has rejected demands from the business world and the LDP for rate cuts.

"If the bank cut the rate by 1 percent at that time (last December), the economy would not have declined so suddenly," Kanemaru said.

The LDP vice president also spelled out who he thinks has the power to effectively order a rate cut. "They say the Bank of Japan governor has authority on the official discount rate but the prime minister is almighty."

BOJ Governor Yasushi Mieno said at a regular press conference Wednesday that he sees no need to further ease monetary policy, splashing cold water on resurging expectations of another cut.

Kanemaru referred also to the necessity to have the Diet approve a fiscal 1992 draft budget as soon as possible for business improvement in economic activities.

He also called for the cooperation of the No. 1 opposition Social Democratic Party in passing the budget.

MOF Official Shows 'Bewilderment'

OW2702115092 Tokyo KYODO in English 1141 GMT 27 Feb 92

[Text] Tokyo, Feb. 27 KYODO—A top Ministry of Finance official expressed bewilderment Thursday over controversial remarks made by ruling party strongman Shin Kanemaru about monetary policy.

Kanemaru, vice president of the Liberal Democratic Party (LDP), said earlier in the day that Prime Minister Kiichi Miyazawa should force the Bank of Japan (BOJ) to lower the official discount rate by 0.5 percentage point to 4.0 percent.

Kanemaru, one of the most influential politicians in the LDP, went so far as to say Miyazawa should sack BOJ Governor Yasushi Mieno if he resists cutting the benchmark rate.

The ministry official, who spoke on condition he not be identified, said somebody like Kanemaru should be very cautious in talking about such a sensitive issue as the official discount rate.

He said he is concerned Kanemaru's remarks could create undesirable expectations about a further easing of monetary policy both at home and abroad.

"A lot of people suffering from the current economic downturn come to Kanemaru with pleas for measures to boost the economy. Kanemaru has a tendency to respond to these pleas rather easily," the official said.

He said it is unwise for politicians to try pressuring the central bank, which he said should be independent of politics and given due respect.

The official said the last thing the government should allow to happen now is a resurgence of the "bubble economy." "We are determined not to go that way again."

The government should never allow again monetary policy to serve as a catalyst for speculation bubbles, he said. "There are a number of economists in the private sector who warn against easing monetary policy further."

Hayami Urges Caution on Rate Cut

OW2702115692 Tokyo KYODO in English 1127 GMT 27 Feb 92

[Text] Tokyo, Feb. 27 KYODO—The chairman of the Japanese Association of Corporate Executives (Keizai Doyukai) expressed reservations Thursday about growing calls among leaders of the ruling Liberal Democratic Party (LDP) for an immediate cut in the official discount rate.

Masaru Hayami said a cut in the key rate should be made by the Bank of Japan at the most opportune time in consideration of fluctuations in the foreign exchange market, urging caution on the issue.

Hayami was commenting at a news conference on a remark made earlier Thursday by LDP Vice President Shin Kanemaru that the rate should be lowered immediately by 0.5 percentage point to 4 percent per annum to expedite a business recovery.

Hayami said it should be up to central bank experts to decide when to cut the rate.

Analysts said Hayami thus expressed opposition to intervention by politicians in Japanese monetary policy.

North Korea

Delegate on 2d N-S Nuclear Control Contact

SK2702105492 Pyongyang KCNA in English 1016 GMT 27 Feb 92

[Text] Panmunjom February 27 (KCNA)—A contact between delegates of both sides for discussing the question of forming and operating the North-South Nuclear Control Joint Committee took place at the Tongil House in the northern portion of Panmunjom today.

Present at the contact were two delegates to the inter-Korean high-level talks and suite from each side.

The contact was held behind closed doors.

Choe U-chin, a delegate of of the North side, gave a news briefing at the end of the contact.

According to him, at the contact the North side drew attention to the shortcomings and debatable points of the draft "agreement on the formation and operation of the South-North Nuclear Control Joint Committee" brought forward by the South side at the preceding contact.

To begin with, the South side's draft agreement was failing to include the question of nuclear weapons and nuclear bases to which primary attention should be paid in realizing the denuclearization of the Korean peninsula.

The failure to mention even a word about this question when we do not know whether there are still U.S. nuclear weapons and nuclear bases in South Korea, or all of them have been pulled out or dismantled means turning away from the fundamental problem in the denuclearization of the Korean peninsula, Choe U-chin said.

Pointing out that the South side's draft agreement laid stress on the inspection question alone, while dealing unsatisfactorily with the question of discussing and taking measures to implement the overall points set out in the "Joint Declaration on the Denuclearization of the Korean Peninsula," he said if the joint declaration on denuclearization is to be carried out in good faith, the North-South Nuclear Control Joint Committee should be allowed to discuss and solve not only the nuclear inspection problem but the overall questions for the implementation of the joint declaration.

He also pointed out that the question of providing against a possible nuclear threat from without, one of the noteworthy problems in the denuclearization of the Korean peninsula, is not mentioned at all in the South side's draft agreement.

The North and the South should not permit any outside attempts to threaten the denuclearization of the Korean peninsula but strive jointly to check them, he said, adding that in order to consolidate the non-nuclear status of the Korean peninsula a step should be envisaged to make nuclear weapon states give assurances of it.

Besides, the South side's draft agreement contained many unreasonable points such as the question of forming a working committee, the question of regular and extraordinary sessions, the question of "optional inspection" and the question of bringing the agreement into effect, he said, and stressed:

At the contact, our side tabled the draft "agreement on the formation and operation of the North-South Nuclear Control Joint Committee," a most fair, realistic and reasonable one for implementing the "Joint Declaration on the Denuclearization of the Korean Peninsula" most rapidly and thoroughly.

Our draft agreement is characterized by the fact that it fully supplemented the points which the South side failed to anticipate, nor did it take into consideration. In the matter of forming the Nuclear Control Joint Committee, too, our side suggested that it be composed of five members including one chairman and one vice-chairman from each side, among them, two members being a general and an officer on the active list.

Noting that the points which should be discussed and promoted by the nuclear control committee, too, are fully and clearly indicated in the draft agreement, he said that it includes the point of adopting an agreement to implement the "Joint Declaration on the Denuclearization of the Korean Peninsula" and the point of taking measures to jointly frustrate a nuclear threat to the Korean peninsula from the outside and bring about an appropriate international guarantee on the denuclearization of the Korean peninsula.

According to the news briefing, the question of operation of the nuclear control committee, too, is clearly described in the draft agreement in detail, and the question of starting an inspection within 20 days after the adoption of an agreement on the implementation of the "Joint Declaration on the Denuclearization of the Korean Peninsula" and rules on the choice of objects of inspection and the procedures and methods of inspection, and the question of bringing the agreement of the nuclear control committee into effect from the day when the premiers of both sides signed it, etc., are included in the draft agreement in explicit terms.

Then, the sides entered into a discussion of their draft agreements.

The South side, however, contrary to the North-South agreement, insisted on discussing first the "optional inspection" alone, avoiding the question of implementing the "Joint Declaration on the Denuclearization of the Korean Peninsula," and went the length of letting out such impudent remarks distorting the fact to the effect that the nuclear problem was raised on the Korean peninsula because of the North side.

The North side, in this regard, made it clear that the origin of the nuclear problem on the Korean peninsula should be traced to the U.S. shipment of nuclear weapons in South Korea, adding it is not a Korean who denies or distorts this hard historical fact.

The North side urged the South side not to dance to the American tune.

As far as our stand is concerned, Choe said, we have clarified that an overall inspection of the U.S. nuclear bases, not an "optional inspection" of one or two objects, should be made.

Our side stressed that the contact was aimed at fully implementing the joint declaration on denuclearization, not at making an inspection alone, he said, and added:

Our side urged the South side to deeply study our draft agreement and show an affirmative response.

It was agreed to have the next contact on March 3.

Reunification Urged Through Independence

SK2602144592 Pyongyang Korean Central Broadcasting Network in Korean 0015 GMT 24 Feb 92

[NODONG SINMUN 24 February special article: "The Basic Position Which Should Be Maintained in Resolving the Reunification Issue"]

[Text] With the effectuation of the North-South Agreement on Reconciliation, Nonaggression, Cooperation, and Exchange and the Joint Declaration on the Denuclearization of the Korean Peninsula adopted at the sixth round of the North-South high-level talks, our people took a truly worthwhile step forward for the nation's independent and peaceful reunification. This step taken by the fellow countrymen should not be suspended nor held back. This step should be linked to tomorrow's reunification without fail.

In the historic talks with the members of both delegations to the North-South high-level talks on 20 February, the great leader Comrade Kim Il-song elucidated the essential issues which should be maintained in implementing the North-South agreements and in linking them to reunification. He especially emphasized maintaining the independent position.

The independent position is the basic position which should be firmly maintained in implementing the documents of the North-South agreement and in achieving national reunification. It is a demand based on the essence and character of the national reunification issue to maintain the independent position.

The great leader Comrade Kim Il-song has taught: Our nation's division, caused by outside forces, should be brought to an end at any rate through the strength of our nation's driving force.

Our nation's division was enforced by outside forces, not by internal elements in the nation, and our nation failed to achieve reunification for nearly half a century precisely because of outside forces' invasion and interference. The main outside forces that divided our country will never offer the reunified nation to our people.

Our nation's division, caused by outside forces, should be brought to an end through the strength of our nation itself at any rate. Only when we fulfill this can we resolve the national reunification issue in compliance with our nation's interest and demand.

Maintaining the independent position is an essential demand for correctly implementing the North-South agreements. The North and the South could adopt and effectuate the excellent documents of agreement, which correspond to the people's aspiration for reunification and to the trend of the times, because they proceeded from the principle of national independence.

How to have the documents of North-South agreement demonstrate their vitality depends on how the North and the South maintain the independent position.

Under the condition in which the nation is divided into the North and the South, depending on outside forces and allowing their interference while one side regards the other as an enemy, means the position of confrontation, not the position of achieving reunification by depending on the nation's driving force. With this position, one cannot properly implement what was agreed on nor can one conduct a responsible and trustworthy dialogue.

The South Korean authorities pursued confrontation in collaboration with outside forces by regarding the same people as enemies even after they announced the 4 July joint statement, which is based on the three principles of independence, peaceful reunification, and great national unity, in the early 1970's. As a result, they failed to link the joint statement to opening the door of reunification. The call for maintaining the independent position is a lesson and the truth resulting from such an unsavory history.

The teaching elucidated by the great leader on maintaining the independent position is a programmatic guideline the North and the South should assume as an iron-clad rule in implementing their agreements and in achieving national reunification.

What is important in maintaining the independent position is for the North and the South to discard the idea of confrontation from the outdated era and to assume the attitude of trusting the same people and relying on the nation's driving force instead of depending on outside forces.

Although our nation is divided into the North and the South and they have different ideas and systems, our people have the same bloodline, the same language, and the same destiny bound for integration. One's attempt to pursue confrontation and to depend on outside forces, instead of trusting and uniting with the same people, is, in fact, a national treachery. If one tries to depend on outside forces by asking for their protection, one cannot avoid interference from outside forces and one is forced to understand their feelings. Finally, one would face restrictions in implementing the North-South agreements. Independence is the only road for national survival, and reliance on outside forces is the road for national ruin.

We have always firmly maintained the independent position, not only in carrying out the revolution and construction in the northern half of the republic, but also in achieving the cause of national reunification. We will maintain in the future the unswerving independent position in implementing the North-South agreements and in the work of expediting national reunification.

Since the North and the South pledged reconciliation and nonaggression through the documents of agreement, the South Korean authorities deservedly should abandon the outdated idea of North-South confrontation. They should not carry out the erroneous act of harming the fellow countrymen in collaboration with outside forces.

The South Korean authorities should urgently resolve a number of serious problems in the issue of maintaining the independent position. One is, above of all, the issue of the U.S. imperialist aggressor forces occupying South Korea.

The United States is the ringleader who enforced the nation's division onto our people and delayed national reunification. After occupying South Korea under the mask of liberators after World War II, the U.S. troops enforced a war onto the Korean people and gave the South Korean people numerous disasters, not returning home even after the war on the pretext of a threat of southward invasion.

Since the North and the South adopted and effectuated the agreements endorsing the pledge of nonaggression and because surrounding circumstances have greatly changed, there is no need for the U.S. troops to remain in South Korea.

The South Korean authorities should make a resolute decision and take steps to completely and comprehensively suspend war exercises, including the Team Spirit joint military exercise they stage in collaboration with the United States.

The South Korean authorities should also show sincerity for resolving the nuclear issue on the Korean peninsula. Although the person in authority in South Korea issued a denuclearization statement, there is no way for us to confirm whether nuclear weapons still exist in South Korea or were completely withdrawn.

It is a policy of the United States to neither confirm nor deny the existence of nuclear weapons. Therefore, we cannot say that the South Korean authorities are correctly aware of the existence of U.S. nuclear weapons in South Korea.

We have been subjected to a nuclear threat for over 30 years; however, the actual situation has not removed our serious worries. As for us, we do not even have a single nuclear weapon, nor do we have the need, intention, or ability to develop nuclear weapons, which can destroy the same people as us.

The South Korean authorities should not challenge us by talking about the North's nonexistent nuclear development, by supporting international nuclear inspection, and so forth. They should faithfully fulfill their responsibility and missions assigned by the Joint Declaration on Denuclearization of the Korean peninsula.

The South Korean authorities should support and encourage the struggle of patriotic people who call for anti-U.S. independent reunification and should stop repressing them. This is one of the important questions that the South Korean authorities should resolve. Clearly, it is an act inconsistent with their words to arrest and imprison the people calling for independent reunification and to regard the anti-U.S. movement for independent reunification as a crime even after having agreed with us to resolve the reunification issue based on the principle of independence. This is a violation of the agreements.

If the South Korean authorities have the intent to implement the North-South agreements based on the principle of independence, they should support, encourage, and praise the struggle of the patriotic people who call for anti-U.S. independent reunification, instead of repressing them. The South Korean authorities should take a step to release the patriotic figures, including Reverend Mun Ik-hwan and coed Yim Su-kyong, who were arrested and imprisoned for having called for the independent reunification based on great national unity.

As the great leader stated in the talks with members of both delegations to the North-South high-level talks, if the North and the South strive to resolve the issue of national reunification by firmly standing on the independent position and by relying on the nation's independent force, not depending on outside forces and without their interference, the reunification of the 1990's will be achieved without fail.

*Taean System Represents Collective Ownership

922C0092A Pyongyang KYONGJE YONGU in Korean No 72, Mar 91 pp 6-9

[Article by Yi Tong-kun: "Implementing the Taean Work System Thoroughly Is the Basic Key to Giving Full Play to the Superiority and Potentiality of the Socialist Economy Based on Collective Ownership"]

[Text] This is a year of great significance marking the 30th anniversary of the creation by the great leader Comrade Kim Il-song of the Taean work system, the chuche form of economic management that ushered in a new era of socialist economic management.

The 30-year history of socialist economic management bears vivid testimony to the fact that the Taean work system is the very system of socialist economic management totally creative, most superior, unprecedented in history and unparalleled in any part of the world.

In the future, too, we, bearing the pride for this system we have in our hearts, will continue to firmly adhere to, and thoroughly implement, the Taean work system and, by doing so, give full play to the superiority and potentiality of the socialist economy based on collective ownership.

The great leader Comrade Kim Il-song taught:

"Precisely in our implementing the Taean work system thoroughly lies the basic key to giving full play to the superiority and potentiality of the socialist economy based on collective ownership."[1]

The socialist society is a society embodying the demands and interests of the working class. The working class demands that they all be free from exploitation and oppression of whatever form, that they form one sociopolitical life and live a self-reliant, creative life sharing the same fate and lot. Only collectivism meets this demand of the working class and the essence of the socialist society is that it is a society embodying this collectivism.

The socialist society based on collectivism develops on principles that are fundamentally different from those governing developments of the capitalist society based on individualism. In the socialist society, all the means of production are owned by the collectives in a form of ownership embodying the principle of collectivism—i.e., collective ownership—and the socialist economy is based on collective ownership of the means of production.

The socialist economy based on collective ownership has great superiority and potentiality.

The superiority of the socialist economy based on collective ownership finds expression, first of all, in that the economy develops toward the goal of meeting the independent demands and interests of the social collectives, the working masses, and that it finds its driving force in the high revolutionary fervor, initiative and unity of the working masses.

It also finds expression in that the economy develops with consciousness of goal and on a planned basis under the unified state plans established by combining correctly the interests of the social collectives and those of individual producer groups and taking into account scientifically the demands of the objective economic law.

It is precisely because of its superiority like this that the socialist economy demonstrates unlimited possibilities of development and immense potentiality. The superiority and potentiality of the socialist economy based on collective ownership do not come into play by themselves, however.

For bringing them into full play, it is required to guide and manage the socialist economy in a way that suits its inherent, collectivist nature. To meet that requirement, it is necessary to establish an economic management system making it possible to thoroughly materialize the principle of collectivism.

The Taean work system created by the great leader Comrade Kim Il-song is the most superior system of economic management embodying the principle of collectivism superbly in managing the economy.

The first factor making the Taean work system enable the principle of collectivism to be embodied superbly in economic management is that it conducts management activities under the collective guidance of the party committees.

The collective guidance of the party committee makes it possible to embody the principle of collectivism in an excellent way by firmly guaranteeing party leadership in economic management.

Party leadership makes it possible to develop the economy in accordance with the demands and interests of the working masses—the social collectives united into one sociopolitical life. In the socialist society, the demands and interests of the working people are synthesized by the leader, the center of the sociopolitical life, and get their full reflection in party lines and policies. Therefore, only by thoroughly implementing the party lines and policies, it becomes possible to develop the economy in accordance with the demands and interests of the working people.

Party leadership in economic management means policy guidance that is based on party policy as its firm precept and leads people toward its thorough implementation; strengthening party leadership constitutes a firm guarantee for thoroughly implementing party policy at every sector and unit.

Party leadership also makes it possible to accelerate economic development by giving the loftiest play to the force of the revolutionary fervor and unity of the working masses who are united in one sociopolitical life. Only under the leadership of the party—the leading political organization constituting the pivot of the sociopolitical life—can the working masses unite closely around the leader ideologically and morally. The working masses thus united around the leader under the party leadership come to show the power of the wholehearted unity knowing of nothing impossible in this world.

Under the Taean work system, the party committees provide monolithic, political guidance on all activities of their respective units.

Under the Taean work system, the party committee discusses and decides all matters concerning the implementation of party policies in a collective manner; controls and guides, seeing to it that its decisions are carried out correctly; launches political work—the work with people—among the working masses, uniting them closely around the party and the leader, organizing and mobilizing them into positive struggles to implement party policies. Thus, under the Taean work system, party leadership is realized thoroughly at every sector and unit.

The party committee's collective guidance makes it possible to effectively realize the principle of collectivism by resolving correctly the question of ensuring collectivity in economic management. To ensure collectivity in economic management means to bring the broad producer masses to participate in economic management, bring democracy into full play among them and thereby conduct economic control and management in accordance with the collective will and demands of the masses. Essentially, this means to have the producer masses exercise their rights as the masters of economic management, i.e. the business management rights.

Under the Taean work system, the masses exercise their business management rights through the collective guidance of the party committees.

Under the Taean work system, the party committees comprise core workers, technical workers and command personnel working in various sections of the respective units; committee members have their roots deeply among the producer masses. The committees consolidate, analyze and systematize broad ranges of creative opinions from committee members and producers to correctly determine directions, ways and means, and measures in dealing with tasks facing their economic management.

The party committee as the highest guidance organ under the Taean work system is a political leadership organ, not an administrative business organ. Therefore, the business management rights exercised through the party committee collective guidance are, through and through, for realizing thoroughly the party's unitary leadership. In other words, they are exercised on the principle that it ensures thorough implementation of the lines and policies of the party.

Inasmuch as the party lines and policies fully represent the demands and interests of the social collectives, the business management rights that are exercised to implement these lines and policies will also guarantee the interests of individual producer groups while primarily serving the interests of the social collectives.

Under the Taean work system, the collective guidance by the party committee ensures that collectivity is guaranteed in economic management and the masses' business management rights are exercised on the condition that the party's unitary leadership is guaranteed solidly. By so doing, it sees to it that the principle of collectivism is embodied satisfactorily.

The next factor making the Taean work system a system enabling the principle of collectivism to be embodied superbly in economic management is that it gives priority to political work, with the upper levels helping the lower.

The important task in embodying the principle of collectivism in economic management is, first of all, to set up economic management system that ceaselessly enhances the self-dependent ideological consciousness of the working people and sets them in motion ideologically.

Independent ideological consciousness regulates all acts and activities of man. Only by enhancing the ideological consciousness of the working people and getting them going ideologically will it be possible to foster firmly the self-awareness among them as the masters of society and of production and economic management, to enhance the collectivist spirit to devote themselves to the interests of the social collectives as members of the collectives, and to have the working people display their high revolutionary fervor and initiative in economic activities for the common interests of the society. The Taean work system, an economic management system giving firm priority to political work, makes it possible to resolve all these tasks arising in embodying the principle of collectivism.

Under the Taean work system, there is a established system and order in which the work of ideological indoctrination to enhance the ideological consciousness of people systematically is pushed ahead firmly as the first process in every activity. It leads functionaries to always pay priority concern to and focus every effort on the ideological indoctrination work, ensuring that the ideological indoctrination work to enhance the ideological consciousness of people proceeds ahead of any other work.

Also established under the Taean work system is a clearly-defined order in which one indoctrinates and moves ten, ten indoctrinate and move a hundred, and a hundred indoctrinate and move a thousand. It makes everyone an object of the work-with-people activity and, at the same time, a functionary for that activity, thereby making it possible to turn the work with people into a work of the masses themselves, a mass work, and to enhance the ideological consciousness of all functionaries uninterruptedly and set them in motion ideologically to maximum levels. Furthermore, under the Taean work system, there is a established system calling for political work to be launched whenever economic organizational work is launched to achieve a new economic task. It ensures that the working people are mobilized ideologically and self-consciously to achieve the economic task, with clear understanding of the purpose and significance of the task that has been shown.

Under the Taean work system, priority is given to political work. This does not mean, however, that economic organizational work is belittled at all. Economic organizational work is an important work to organize economic activities of the working people and guarantee them the necessary economic and technical conditions and, by doing so, have the working people show their revolutionary fervor—enhanced through political work—in actual production results. Therefore, while giving firm priority to political work, economic organizational work should go along with it in close combination.

Under the Taean work system, in order to carry out what the party committees have discussed and decided collectively, administrative economic functionaries are assigned to economic organizational work and party functionaries to political work; in the system's clearly-defined order, administrative economic functionaries and party functionaries, while performing their respective assignments in a responsible manner, keep pace with each other and act in concert. This makes it possible for the political work and the economic organizational work—the political work to enhance the ideological consciousness of people and get them going ideologically, and the economic organizational work to foster and organize and mobilize creative capabilities—to be performed in a coordinated manner with organic links between them. Thus, the system ensures that the highly enhanced revolutionary fervor of the working people is translated into actual production results in the interests of the social collectives, and that the interests of the social collectives are met satisfactorily in a timely fashion.

Another important task in embodying the principle of collectivism in economic management is to establish a system between superiors and subordinates and between producers in which they strengthen unity and cooperation while helping and leading one another. Only by doing so will it be possible to ensure that guiding functionaries and producers closely cooperate and unite in their joint activities for the society and collectives, and that collective innovations are kindled and mass heroism is fully displayed through development of cooperative production in which producers and production units are required to cooperate closely.

The Taean work system, a system for superiors to help subordinates, makes it possible to effectively resolve all these tasks arising in embodying the principle of collectivism. It has a strict, built-in arrangement for guiding functionaries to go down to the base-level, the production sites. For guiding functionaries to go deep among the vigorous masses of producers engaged in creative production activities enables them to overcome such phenomena in guidance work as becoming deskbound wielding subjectivism and arbitrariness, to update their guidance style to meet the demands of producers and actual conditions of production sites, and to resolve unsolved, distressing problems for producers in a timely and effective fashion.

Under the Taean work system, it is also an established arrangement that superiors help producers in every aspect in the political-ideological and economic-technological areas. Guiding functionaries will explain to producers the party policy for each period and its intent in detail, take on the production organization and technical guidance work and do it in person, and see that the necessary raw materials and other supplies are delivered smoothly. This way, they help producers concentrate everything they have on production with no hesitation.

Thus, the superiors-help-subordinates work system turns guiding functionaries into faithful servants, errand persons, for the masses serving the producer masses truthfully, prompting them to do away with bureaucratic and administrative ruts thoroughly. As a result, it enables them to enjoy high respect and confidence of producers. This makes it possible to consolidate and develop unity and cooperation, mutual assistance and leading among people uninterruptedly, and to give full play to collectivism.

Another factor making the Taean work system a system enabling the principle of collectivism to be embodied in economic management in an excellent way is that it is most effective to carry out the planned control of the economy.

In the socialist economy based on the collective ownership of the means of production, economic development on a planned basis and with balance is an inevitability.

The collective ownership of the means of production combines all the sectors and units of the people's economy into one economic entity sharing the same objective and interests. The socialist economy, as an economic entity and a collective economy, can develop only on a planned basis.

To carry out planned control of the economy thoroughly is an essential requirement in guaranteeing firmly planned economic development in conformity to the collectivist intrinsic nature of the socialist economy.

Specifically, planned control means to clearly define the directions of development and goals for different economic sectors and units by correctly combining the interests of the social collectives and those of individual producer groups, to establish unified state plans ensuring the society-wide cooperative production by dovetailing sector-to-sector and unit-to-unit connections, and to organize and guide their implementations. Therefore, only by carrying out planned control thoroughly can we successfully accomplish the task of developing the socialist economy on a planned basis and with balance, in conformity to its intrinsic nature as an economic entity based on collective ownership.

The Taean work system ensures that planning and all other economic organizational work are coordinated closely and scientifically and, by doing so, serves for the planned control of the economy in an excellent way. Under the Taean work system, there is a system and order established in which the demands of the party and the state and those of producers are combined correctly by meeting the requirements of unified planning and detailed planning, and in which economic activities of all units are well dovetailed. It thus makes it possible to establish scientific plans reflecting the demands of the party and the state and those of producers correctly and meeting the requirement for balance in economic development.

Under the Taean work system, it is also systematized to make plans through discussions with producers. Producers, more than anyone else, have specific knowledge about the actual state of production and of potentials and possibilities of production growth. Plans made through discussions with them are the most positive and dynamic ones fully reflecting such potentials and possibilities.

The Taean work system makes it possible to closely coordinate production organization and guidance in a scientific way, under the system of unified and intensive production guidance and the system of upper levels bearing the responsibility for insuring the necessary conditions for production. The modern, large-scale socialist production makes it imperative to strengthen technological guidance and ensure high degrees of organization and discipline in production. The system of unified and intensive production guidance makes it possible to superbly meet difficult demands arising in the way of production guidance and thereby guarantees the successful fulfillment of plans.

Under the Taean work system, the planning staff is organized with personnel in posts directly connected with production, with superior technological manpower concentrated on it. The planning staff organizes and guides production under the control of the chief engineer who is familiar with technology. This makes it possible to strengthen technological guidance in production decisively. The fact that the Taean work system established the order in which one person maintains unified control and unitary command over the entire process of production under the guidance of the party committee made it possible to guarantee high degrees of organization and discipline in production.

The system of the upper levels insuring the necessary conditions for production in their responsibility makes it possible to regularize production and fulfill plans successfully by guaranteeing the direct delivery to producers of materials and supplies needed in production.

All this bears vivid testimony to the fact that the Taean work system is the most correct and superior system of economic management making it possible to superbly embody the principle of collectivism in the guidance and control of the socialist economy.

Therefore, only by firmly adhering to and thoroughly implementing the Taean work system can we give full play to the superiority and potentiality of the socialist economy based on collective ownership.

We must attain the high goals of socialist economic developments, and this reality demands more than ever that we give fuller play to the superiority and potentiality of the socialist economy.

All the sectors and units of the people's economy will thoroughly implement the Taean work system and give maximum play to the superiority and potentiality of the socialist economy based on collective ownership and, by doing so, will bring about a new turnaround in the socialist economic construction.

Footnote 1. *The New Year's Address* 1991, p 7.

South Korea

South, North Hold Contact on Inspections Issue

Seoul To Take 'Tougher' Stance

SK2702001492 Seoul THE KOREA TIMES in English 27 Feb 92 p 1

[Text] South Korea, becoming increasingly tougher in efforts to force North Korea to open its nuclear facilities to international inspection, will renew its call for an early "mutual inspection" in the South and North during talks at Panmunjom today.

Two delegates each from the South and the North will sit together in the truce village today to discuss the formation of the Joint Nuclear Control Commission (JNCC) which will supervise mutual inspection of nuclear facilities on both sides.

Prior to the business talks at Panmunjom, Seoul government officials indicated that the South will link the resolution of the issue of North Korea's nuclear development to future progress in inter-Korean ties.

Speaking to a meeting organized by an association of North Korean natives Tuesday, Prime Minister Chong Won-sik made it clear that the government would not seek substantial economic cooperation with North Korea until the issues of North Korea's nuclear development and the reunion of dispersed families in the South and North are resolved.

"Economic exchanges and cooperation between South and North Korea are impossible unless the two issues are settled," Chong said in a clear manner.

Government officials dealing with the nuclear issue said that the government will work hard to realize an early mutual "pilot inspection" of nuclear installations in the South and North before the North opens its nuclear facilities to inspection by the International Atomic Energy Agency (IAEA).

North Korea signed the nuclear safeguards accord with the IAEA on Jan. 30 but is delaying ratifying it, action which seems to be aimed at buying time to allow it to gain a nuclear reprocessing capability.

O Chang-nim, chief of the North Korean delegation to the meeting of the board of governors of the IAEA in Vienna, said during a press conference in Austria that Pyongyang is ready to open its nuclear facilities to IAEA inspection by June.

However, officials in Seoul and Washington suspect that the North might be able to conceal nuclear facilities subject to IAEA inspection before that time.

An inter-Korean agreement on reconciliation and exchanges and joint declaration for a nuclear-free Korean peninsula went into effect last week when the sixth prime ministers' talks were held in Pyongyang.

North Clarifies Position

SK2702094092 Seoul TONG-A ILBO in Korean 27 Feb 92 p 1

[Text] North and South Korea held a contact of delegates from the North-South high-level talks at Tongilgak on the North side of Panmunjom on the morning of 27 February. The delegates held negotiations on the formation of the joint nuclear control committee pursuant to the joint denuclearization declaration. They intensively discussed the issue of direct mutual North-South inspections by the joint nuclear control committee.

At today's contact, the South side proposed that "the agreement on the formation and operation of the joint nuclear control committee" be adopted at an early date, that the joint committee be organized before 18 March, and that the inspection regulations stipulating procedures and method of nuclear inspection be formulated within one month after the joint committee's formation. Thus, the South side strongly called on the North side to conduct direct mutual nuclear inspections within May at the latest.

The South side also clarified its position that a model inspection should be conducted for some nuclear facilities of both sides, including those in North Korea's Yongbyon and in South Korea's Kunsan, by the end of April, even before the direct mutual inspection. The South side stressed that in case the North side refuses a model inspection, the direct mutual inspection should be expedited even before the end of April.

Concerning the formation of the joint nuclear control committee, the South side proposed that it be composed of seven members each from the North and the South and be headed by minister- or vice minister-level officials.

Since North Korea's nuclear issue has become a matter of international interest, including within the International Atomic Energy Agency [IAEA], the South side hinted at its policy of sanctions against North Korea through the UN Security Council and halting North-South economic cooperation in the event that North Korea refuses a nuclear inspection in April or May.

It was learned that the South side sounded out North Korea's true intentions, as revealed by its delegate to the IAEA, O Chang-nim, to ratify the nuclear safeguards accord in April and accept the IAEA's nuclear inspection in June.

Concerning this, the North side revealed its position that a separate model inspection apart from the joint control committee's mutual inspections is not necessary. The North side maintained that if a model inspection is to be conducted, all U.S. military bases in South Korea should be subject to it in return for the nuclear facilities in Yongbyon, North Korea.

The North side clarified its position that though direct mutual inspections may be accepted, it refuses their early implementation.

Sides To Reconvene in Mar

SK2702100992 Seoul YONHAP in English 0919 GMT 27 Feb 92

[Text] Seoul, Feb. 27 (YONHAP)—South and North Korea failed to reach an agreement on the formation and operation of a Joint Nuclear Control Committee (JNCC) in their contact Thursday and decided to meet again on March 3 at the truce village of Panmunjom.

In the Panmunjom contact, South Korea proposed the JNCC be formed before March 18 in accordance with the inter-Korean agreement on nuclear-free Korean peninsula on Dec. 31, 1991, and work out rules on how to select the sites and carry out overall, mutual inspection within one month from JNCC formation.

The South suggested that mutual inspection be conducted in late April or in May at the latest, but the North argued that inspection could start only after the two sides adopted a separate accord for the implementation of Articles 1, 2, and 3 of the Dec. 31 declaration, and produced rules on inspection.

Article 1 of the joint declaration says South and North Korea will not test, manufacture, produce, introduce, possess, store, deploy or use nuclear weapons.

Article 2 says the two sides will use nuclear energy solely for peaceful purposes.

Article 3 says the two sides will not possess nuclear reprocessing and uranium enrichment facilities.

South Korea reiterated its demand that a pilot inspection be made of a few sites in both sides within one month after an agreement on the formation and operation of the JNCC goes into effect.

North Korea maintained that the pilot inspection should cover its facilities in Yongbyon and all military facilities in South Korea. The North also said that methods of selecting sites for the pilot inspection and procedures should be prepared.

As for the function of the JNCC, North Korea said it should deal with matters concerning joint deterrence of nuclear threat from outside and measures to obtain an international guarantee to make Korean peninsula a nuclear-free zone.

The South was represented by Yim Tong-won and Kong No-myong, and the North by Choe U-chin and Kim Yong-chol. All four are delegates to the inter-Korean high-level talks.

"There was a big difference in opinion between the two sides. There may be a lot of difficulties in future contacts, but I am neither optimistic nor pessimistic," said Yim after the contact.

The vice national unification minister said he and Kong did not try to confirm in Thursday's contact North Korean Ambassador O Chang-nim's recent remark that Pyongyang would ratify the nuclear safeguards accord it signed with the International Atomic Energy Agency [IAEA] in early April and would accept international inspection of its nuclear facilities in June.

North Korea signed the nuclear safeguards accord with the IAEA on Jan. 30, fulfilling an international obligation under the Nuclear Non-Proliferation Treaty after more than six years' delay.

Yim said South Korea wanted to conduct a pilot inspection of suspicious sites before the mutual or international inspection because it would take time for the overall inspection "but the North has made its objection clear for several reasons."

He said the South had already worked out a three-phase formula to resolve the nuclear issue.

"The first phase has been already achieved with the inter-Korean agreement not to possess nuclear reprocessing and uranium enrichment facilities. The second phase is forming the JNCC as agreed, and the third phase is setting up rules on inspection and conduct mutual inspection. I do not think the on-going talks on nuclear issues will affect formation of joint committees," he said.

Spokesman Interviewed on North-South Talks

SK2602152592 Seoul SEOUL SINMUN in Korean 26 Feb 92 p 3

[Interview with Yi Tong-pok, spokesman for the ROK delegation to the North-South high-level talks, by reporter Kim In-chol—place and date not given]

[Text] [Kim In-chol] Even though the agreements, including the "North-South agreement," were effectuated, North Korea has not shown sincerity in resolving the "nuclear issue." Is the "nuclear issue" linked to the implementation of the agreement?

[Yi Tong-pok] They are virtually different matters. They cannot but be linked for two reasons, however. First, it is difficult for us to recognize North Korea as our dialogue partner as long as it refuses to resolve the nuclear issue. Second, there are lingering doubts at home and abroad about North Korea's nuclear weapons development.

[Kim] In that sense, people at home and abroad have focused their attention on the second North-South contact of delegates scheduled for 27 February.

[Yi] North Korea responded negatively to our side's draft of an "agreement on a Joint Nuclear Control Committee" during the sixth North-South high-level talks. Even while insisting on full-scale inspection in response to our proposal for a trial inspection, the North side said that the South side must allow it to see all the U.S. military bases if the North side opens up its nuclear facilities in Yongbyon.

I think that this will be contained in its draft, which it said it would present on 27 February.

In that case, it will be difficult to reach an agreement on the control committee, and discussions will not be smooth. It is clear that our proposed schedule for forming a Joint Nuclear Control Committee will face a setback and that this will consequently affect North-South dialogue. If the 27 February meeting fails to produce any agreement, our government will review its overall policy toward North-South dialogue.

[Kim] What will we do if the formation of a Joint Nuclear Control Committee is delayed?

[Yi] The nuclear issue will be handed over to the UN Security Council around June, and our government will review its policy toward the North.

[Kim] Will an international resolution of North Korea's nuclear program be possible?

[Yi] The International Atomic Energy Agency [IAEA] led by the United States, Japan, and other Western countries have to apply pressure step by step. In particular, the IAEA has a stumbling block called China in adopting any decision on North Korea. China wants to give North Korea a chance and time. It also wants to allow North Korea to save face. Therefore, it will be difficult for the IAEA Board of Governors, which began meetings on 24 February, to do more than warn about North Korea's nuclear development and denouce it. North Korea' nuclear issue will be handed over to Board of Governors for its June meeting. The Board of Governors will discuss such forcible measures as the presentation of this issue to the UN Security Council.

[Kim] Are we not hastily urging North Korea to resolve the nuclear issue?

[Yi] From all the latest information that experts have gathered by using state-of-the-art technology, we can tell that North Korea will complete and operate the nuclear reprocessing facilities in Yongbyon in the first half of the year. If the reprocessing facilities become operational, the North will be able to produce the plutonium necessary for building nuclear weapons within six to 12 months after that. Once North Korea begins to produce plutonium, there will be no way to stop it from making nuclear weapons. From that time on, North Korea will be able to manufacture nuclear arms while moving its facilities or else in concealment. Therefore, the surest way to prevent North Korea from building nuclear weapons is to prevent it from owning nuclear reprocessing facilities. So, the period from now until June is the most important.

[Kim] Is IAEA's forcible inspection of North Korean nuclear facilities possible? Will the forcible inspection resolve the nuclear issue?

[Yi] The North is different from Iraq. Iraq, a defeated nation in a war, had to accept forcible inspection. The North is different. It is not a defeated nation in a war. Therefore, we cannot enter it right away.

For this very reason, the United States and other Western countries, judging that the IAEA's inspection will not be sufficient, recommend that we pursue North-South mutual inspection and trial inspection, which will be conducted prior to mutual inspection.

We must not think that a simultaneous North-South trial inspection will completely resolve the nuclear issue. If the simultaneous trial inspection become effective, the "procedures and contents" of the inspection must be substantial.

[Kim] Are facilities in Yongbyon, North Korea, the only problem?

[Yi] The nuclear reprocessing facilities in Yongbyon are the problem. We cited Sunchon Airport as a site for trial inspection for the sake of "parallel inspection." This should be considered a way to promote military trust by mutually inspecting military facilities.

[Kim] Did you notice any change in North Korea during the sixth high-level talks? And, how will you explain President Kim Il-song's unscheduled "statement?"

[Yi] I felt that conflicts between conservative forces and those who pursue changes were worsening in North Korea. The statement by President Kim Il-song and a banquet speech by Yang Hyong-sop, chairman of the Supreme People's Assembly Standing Committee, which took place on the last night in Pyongyang, were completely different from what was said during the fifth and sixth talks. During his "unscheduled statement," President Kim Il-song, saying that "we are not sure whether the U.S. forces' nuclear weapons have been completely withdrawn from South Korea," demanded that the U.S. forces be withdrawn. This means that North Korea has not given up its strategy to foment a revolution in the South. He stressed: "The North has no nuclear weapons, is not building nuclear weapons, and does not need to do so." Still, he did not mention anything about nuclear inspection. This is what makes us doubtful about North Korea's trustworthiness. The fact is that Premier Yon Hyong-muk and other delegates from the North were embarrassed at this "attitude." This is noteworthy.

Contrary to the speculation, our side has concluded that the transfer of power to Kim Chong-il will not take place early.

IAEA Agrees to Special Inspection of North

SK2702030292 Seoul YONHAP in English 0051 GMT 27 Feb 92

[Text] Vienna, Feb. 26 [date as received] (YONHAP)—The International Atomic Energy Agency (IAEA) adjourned a meeting of its Board of Governors Wednesday after agreeing to enforce special inspection on North Korea's unreported nuclear facilities.

The ten-member Board of Governors also adopted a resolution, urging North Korea to ratify the nuclear safeguards agreement immediately and submit a detailed report on its stockpile of nuclear materials.

The board which had planned to meet for five days until Feb. 28 ended this year's first meeting two days ahead of schedule since it has reached a quick consensus on the thorny issue of enforcing a special inspection on North Korea, officials said.

North Korea's roving ambassador O Chang-nim, who attended the meeting as an observer, said North Korea would ratify the safeguards agreement by April, thus making it possible for the IAEA to start inspecting North Korea's nuclear facilities in June.

International suspicion on North Korea's nuclear weapons plan is expected to persist because the IAEA could conduct its inspection only on those facilities reported by North Korea, observers said.

Meanwhile, leading members of the IAEA governors agreed that it would be unavoidable for the United Nations Security Council to impose economic and political sanctions against North Korea if the IAEA could not come up with a satisfactory result in its inspection of North Korean nuclear facilities, sources said.

The agreement was reached, they said, at a separate meeting of five U.N. Security Council member nations including the United States, Britain and France and other leading members of the IAEA Board of Governors, South Korea, Japan, Germany and Australia.

Previous Inspections Recounted

SK2702103892 Seoul TONG-A ILBO in Korean 26 Feb 92 p 3

[Article by correspondent Choe Maeng-ho from Vienna: "Only at Night Did They Allow Us Into the Yongbyon Nuclear Reactor and Kept the Controlled Area Off Limits With the Excuse of Power Outage"]

[Text] With the growing possibility that North Korea will ratify the nuclear safeguards accord in April, international attention is focused on Yongbyon. Since 15 September 1978, the International Atomic Energy Agency [IAEA] has conducted a total of 14 rounds of periodical inspections of a small nuclear reactor that North Korea bought from the Soviet Union in 1965 for research purposes.

The inspectors who have participated in these inspections say that they were never allowed to go anywhere beyond the research reactor and were always under strict control during the inspections.

The following is an account told by two inspectors who went to North Korea:

In 1988 we began hearing rumors that North Korea had begun operating nuclear reactor No. 2. The IAEA instructed the inspectors traveling to North Korea to try to see other nuclear facilities and to ascertain whether North Korea was able to develop nuclear weapons on its own.

We flew a Korean Civil Aviation passenger plane from Beijing to Sunan airport and checked into a hotel in Pyongyang.

Late the following afternoon, a government official came to fetch us, and we headed for the nuclear reactor. The automobile in which we were driven was a very old jeep, made about 20 years ago, and gadgets on the dashboard, including the speedometer, were out of order.

At the outset, we thought it would take us about an hour to reach the destination, given that it was only 100 km from Pyongyang. The jeep drove for nearly two hours on rugged, unpaved roads, with no lights at all to help us navigate, however. According to our sense of direction, it seemed that we took a roundabout route.

When we finally reached there, it was midnight. Except for the research nuclear reactor there was nothing to be seen along a river called Kuryongchon. It was so dark that we found it impossible to see what kind of terrain the site was in. We returned to Pyongyang after checking the journal of operation and blueprint alterations, how much nuclear material had been put into the nuclear reactor, and how much was in storage. We could see how serious electricity shortages were after seeing no lighted street lamps in areas outside of Pyongyang.

The guide assigned to us spoke very good English, but he was always around us. We were unable to meet or converse with people other than those approved by our guide. Our request that we be allowed to see other facilities was turned down politely on the grounds that it was against the purpose of our visit.

Our fellow inspectors told us that they had never been allowed to go anywhere except the research reactor. One of them was taken to some other place believed to have another nuclear facility following an inspection of the research reactor late one evening. The inspector, however, was stopped at a guard post on a hill and denied access to the facility on the grounds that there was power outage at that moment. The inspector returned without being able to see the facility.

The guides were taut and meddlesome, and we felt that the facility that stood in the dark in the power outage gave us the impression that it was capable of producing nuclear weapons. We also were under the impression that they would not allow us any access to it.

One of the North Korean officials we met during our stay there said that energy shortages had become serious after the Soviet Union had stopped giving North Korea assistance to help it build nuclear reactors.

* Kim Chong-il's Rise to Supreme Commander Viewed

922C0091 Seoul NAEWOE TONGSIN in Korean No 776 27 Dec 91 pp A1-A4

["Kim's Rise Interpreted as Effort to Prevent Internal Collapse, Expectation of Significant Improvement in South-North Relationship Premature"]

[Text] Kim Chong-il was named supreme commander of North Korean Armed Forces on December 24.

North Korea's official central radio has twice announced that the 19th plenary session of the Sixth Workers Party of Korea (WPK) named Kim Chong-il supreme commander of the North Korean Armed Forces.

Ever since Kim Chong-il was named WPK party secretary at the secret seventh plenary session of the fifth WPK in September 1973, which indicated that he will be successor to his father Kim Il-song, he officially surfaced to political power by being named WPK Central Committee member, Standing Committee member of the Political Bureau, secretary of the Secretariat, Military Affairs Committee member at the Sixth WPK Party Congress in October 1980. In May 1990, Kim Chong-il was named first vice chairman of the National Defense Commission, chaired by Kim Il-song, at the first meeting of the Ninth Supreme People's Assembly.

In additon to these colorful titles, the position of supreme commander of the Armed Forces was added.

By transferring the supreme commandership of the Armed Forces to his son, Kim Il-song now has titles such as president of the Democratic People's Republic of Korea (DPRK), chairman of the National Defense Commission, general secretary of WPK, Standing Committee member of the WPK's Political Bureau, and chairman of WPK's Military Affairs Committee.

It is analyzed that the nomination of Kim Chong-il as supreme commander is related to various internal problems of the North Korean Armed Forces.

Two major problems are known so far. One is dissatisfaction of younger officers due to slow changes in the military; and the other is degraded morale among officers and ranks, and slack military discipline caused by supply shortages.

Slow promotion within the military is well reflected by the key military leaders' average age, which is between 60 and 70.

The so-called first generation of the people's revolution; O Chin-u, minister of the People's Armed Forces; Choe Kwang, chief of the general staff; Kim Kwang-chin, vice minister of the People's Armed Forces; Kim Pong-yul, member of the National Defense Commission; and Kim Chol-man, member of the National Defense Commission; who have held major military positions for 20 to 30 years, has been a source of dissatisfaction among younger officers.

In addition to the dissatisfaction caused by slow promotions, younger officers have been unhappy with their senior officers' inappropriate handling of international politics and the relationship between South and North Korea. The younger officers' unhappiness had a potential for a power struggle within the North Korean military.

In an effort to pacify them, O Chin-u and Choe Kwang praised entry level commanding officers as well as company commanders at a special meeting of Armed Forces company commanders held on 12 and 13 November, by saying that companies of the Armed Forces are the "basic combat units of the revolutionary forces."

The dissatisfaction among officers and ranks caused by military supply shortages has been made public.

The shortage of military supplies has been evidenced by foreign news reports that Kim Il-song used 1 million tons of food aid from China during his visit in October for military supply, and by witnesses of recent North Korean defectors, who have said that officers and ranks steal food and supplies from villages.

A new cant, "eating lieutenants," popular among newly-enlisted soldiers, which describes officers stealing ranks' food and supplies, also reflects their shortage.

The fact that Kim Chong-il was named supreme commander at this time when many such problems exist within Armed Forces is to be noted. Although the North Korean military may not pursue a rapid change in appearance, Kim's rise is an indication that various measures will be made in order to boost the military morale, together with a replacement of high-ranking senior military officers by junior officers.

On 25 December, one day after Kim Chong-il was named supreme commander, there was a "political directors' meeting of Armed Forces companies", in the Pyongyang Gymnasium, while Kim Il-song unexpectedly attended and encouraged the participants by taking pictures with them. This event is understood as a measure to boost the young officers' morale.

Some analysts are hoping that North Korea might explore changes in its political direction. Such an analysis is based on the fact that the North is promoting a foreign policy to improve its relationship with South Korea and is also based on a rumor that Kim Chong-il is leading the new foreign policy.

It is a general opinion, however, that such an expectation is still premature. It is because Kim Chong-il's appearance as supreme commander may be an internal political gesture aimed at solidifying his heir-apparency and shortening the timing of power transfer.

Although different interpretations may be possible, the timing of Kim Chong-il's emergence as supreme commander is coincidental with the announcement of the "South-North Agreement" and an increasing international pressure on the inspection of its nuclear facilities.

In other words, Kim Il-song wanted to make the power transfer to his son known to the people as a fact by preventing in advance a possible internal collapse caused by international pressure on opening nuclear facilities for inspection that North Korea has no choice but to accept and by improving its relations with South Korea. It is also reflected in the question whether the Kim Chong-il's appointment as the supreme commander is structurally possible without transferring the presidency.

Article 93 of the North Korean Socialist Constitution defines the supreme commander of the entire Armed Forces, including the People's Armed Forces, as the president, who is elected by the Supreme People's Assembly. That is Kim Il-song himself. Therefore, naming Kim Chong-il supreme commander is considered to be almost unconstitutional.

Article 93 says that "The president of the DPRK is also the supreme commander of the entire Armed Forces and chairman of the National Defense Commission, and controls all the national forces."

Consequently, Kim Chong-il's promotion to supreme commander not only means he has the highest military power, but also marks the beginning of the Kim Chong-il era. It is, therefore, expected that Kim Chong-il will play a major role in improving the South-North relations and in the inspection of nuclear facilities by the International Atomic Energy Agency.

It is summarized that Kim Chong-il's promotion is aimed at making the heir firm and public by alleviating the dissatisfaction of the Armed Forces' younger officers, and resolving the issues related to the South-North relations and nuclear facilities inspection. It is analyzed that during the process of resolving these pending issues, he may be named president, if necessary.

* More on Military Role

922C0085A Seoul HANGUK ILBO in Korean 27 Dec 91 p 14

[Article by Sin Hyo-sop: "Implication of Kim Chong-il's Appointment as Supreme Military Commander—a Step Toward Completing the Succession of Power From Father to Son"]

[Text] **Effort To Weaken the Influence of the Military, the Greatest Obstacle; Forward-Looking Stance Toward North-South Relations Expected**

The fact that Kim Chong-il of North Korea was elected to the post of "supreme commander of the Korean People's Army" (KPA) on 24 December is very suggestive of possible changes in the internal power equation and in North Korea's policy toward South Korea and the West in the future.

First, Kim Chong-il's new post is interpreted as a practical step toward completing the dynastic succession of power from Kim Il-song to his son, Kim Chong-il.

Kim Chong-il began to come up front in the power structure when he was elected to the post of party secretary at the 17th Plenum of the Fifth WPK [Worker's Party of Korea] Central Committee in September 1973.

Subsequently, he was successively appointed as member of the Standing Committee of the Political Bureau of the Party Central Committee and as first vice chairman of the Military Affairs Committee, thereby seizing the practical leadership in North Korea's power structure.

Nevertheless, the powerful military in North Korea has been regarded as the greatest obstacle standing in his triumphant climb to power. The military over which O Chin-u and others in the group of elder statesmen, the so-called first revolutionary generation, are still exercising a strong influence, has been regarded as the greatest possible prop or the greatest possible obstacle in the dynastic succession of power. For this reason, Kim Chong-il made a steady effort to seize control of the military, and whether or not he would succeed in this endeavor has been regarded as a question which would have a direct bearing on the completion of the succession of power from Kim Il-song to his son.

Viewed in this light, Kim Chong-il's election to the supreme military commandership signifies that he now has a grip of the military in addition to the WPK and the government, and that the hereditary succession of power from father to son is near the point of completion.

Contrarily, however, there is a passive view also. According to this view, the post of KPA supreme commander is the highest position in the military as a matter of form, but in reality Kim Il-song—who still holds the post of chairman of the Military Affairs Committee of the Party Central Committee and that of chairman of the National Defense Commission, has the prerogative of supreme command. Accordingly, Kim Chong-il's appointment as KPA supreme commander is interpreted as a move on the part of Kim Il-song to let his son jump straight into the military and bring the group of elder statesmen in the military under his control.

Anyhow, with Kim Chong-il now holding the prerogative of supreme command both in military command and military administration, although in form, the process of succession of power from father to son no doubt has entered a critical phase.

In this connection, what deserves attention from now on is the question of what change will take place in North

Korea's power structure, including when Kim Il-song will hand over his presidential post to his son and when the group of elder statesmen will exit from the stage.

Article 93 of the North Korean constitution provides that "the president of the DPRK is also the supreme commander of the overall armed forces of the DPRK and the chairman of the National Defense Commission." The "supreme commander of the overall armed forces" as referred to in the constitution has been interpreted as signifying the supreme commander of the KPA.

According to this interpretation, now that Kim Chong-il holds the post of the supreme commander, he should have the presidency turned over to him, or else the constitution should be amended to separate these two posts. If North Korea takes either of these steps, Kim Chong-il will rise to the pinnacle of power in North Korea both in name and reality.

In order for KIm Chong-il to rise to the presidency of the state, the Supreme People's Assembly (SPA), which has the power to elect the president, needs to be convened. Customarily, North Korea calls the SPA into session in March or April each year to take action on the annual government budget. So, what will transpire before and after Kim Chong-il's next birthday (16 February) deserves attention. At the same time, in case Kim Chong-il should come to hold the presidency, the question of who will represent North Korea in the North-South summit conference, the father or the son, is also an interesting one.

An expert on North-South relations expects Kim Il-song's ruling structure to remain in force for the time being, saying that "at a time when the external importance of the presidency of the state has increased as a consequence of the collapse of other communist regimes, it would not be easy for Kim Il-song to hand over his post as president."

The same expert stressed that there is no need to take the procedure for adopting a constitutional amendment, saying that "the overall armed forces as referred to in the North Korean constitution include all the military components of North Korea, such as the Red Worker-Peasant Red Militia, the Red Youth Guards, training battalions, and members of the Ministry of Public Security, in addition to the KPA; therefore there is no need to amend the constitution."

A potential change in North Korea's internal power equation will be a shift in generation for the North Korean military structure, including the stepping down of O Chin-u, Minister of People's Armed Forces, and other elder statesmen in the military. The fact that Kim Chong-il's latest appointment was made during the absence of O Chin-u, the most powerful man in the military, from the country (he was staying in Nigeria) seems to bear some relationship to this potential change.

As far as North Korea's policy toward South Korea and the West is concerned, the latest strengthening of Kim Chong-il's power is taken as a measure which points to a great possibility of a shift toward a forward-looking stance. The prevailing view is that the military will come to the fore in North Korea's relations with South Korea and the West.

The recent flexible stance shown by North Korea toward South Korea and the West has been observed to have been engineered by Kim Chong-il. On the other hand, the North Korean military has been pointed as the greatest hindrance to opening and reform in North Korea. Particularly on the issue of nuclear weapons, the first and foremost concern of the whole world, the military is understood to be taking the hardest line.

Therefore, with Kim Chong-il having reached the highest post in the military, North Korea's policy toward South Korea and the West is expected to be executed with greater flexibility. On the issue of nuclear weapons also, the possibility cannot be ruled out that North Korea will be far more active than expected.

Some observers associate the latest development with the question of implementing the recently signed North-South agreement. They point out that the greatest "concession" North Korea made in the process of adopting the North-South agreement was its agreement to conclude a "North-South peace agreement" and that Kim Il-song in his capacity as "the supreme commander of the KPA" was the party to the Armistice Agreement, which will be the basis for the peace agreement. Accordingly, they say, when the question of signing a peace agreement between North and South is discussed in the future, it will be inevitable for "Kim Chong-il, supreme commander of the KPA," to come up in front.

In conclusion, Kim Chong-il's assumption of his post as supreme commander of the KPA is viewed as the expression of a determination on the part of North Korea to cope with the new situation by a new structure and new people; hence, how the situation will develop inside North Korea is a matter of concern for the future.

Reporter Notes Praise for Kim Chong-il in North

SK2502015692 Seoul THE KOREA HERALD in English 25 Feb 92 pp 2, 3

[Second in a series of articles entitled "Pyongyang as I See It" by political writer Kang Sang-yun who covered the sixth round of inter-Korean prime ministers talks in Pyongyang 18-21 Feb: "North Korea Steps Up Drive To Deify Kim Chong-il]

[Text] "The greatest honor to comrade Kim Chong-il, supreme commander of the People's Army."

This is just one of numerous signs eulogizing the son and heir apparent of the aging North Korean leader Kim

Il-song. Such signs are everywhere on Pyongyang streets. They are on office buildings, apartments and ever in the trees.

Every citizen in Communist North Korea was supposed to celebrate the younger Kim's birthday. He turned 50 Feb. 16.

Feb. 17 was also a special national holiday, not to speak of his birthday.

The celebration was going on in earnest at least at the official level. It will continue through April 15, the 80th birthday of Kim Il-song, North Korean reporters said.

A Chinese correspondent based in Pyongyang said the younger Kim's birthday celebration this year is the largest ever, probably attesting to the fact that he has already assumed greater control in government, economic and military affairs.

The North's propaganda machine continues to rain tributes on "Dear Leader Comrade Kim Chong-il" as he is commonly called in the communist state.

Most television programs appeared devoted to Kim's "glorious" birthday. Newspapers like NODONG SINMUN and MINJU CHOSON alloted much space to stories detailing congratulations and gifts from foreign dignitaries.

In its Feb. 19 edition, the NODONG SINMUN reported on its front page that the Laotian government had decided to confer its highest medal on Kim Chong-il in commemoration of his 50th birthday. Kim, according to the Workers' Party mouthpiece, has "greatly contributed to cementing the traditional friendly ties" between the two countries.

The paper said Kim received congratulations from party leaders of Malaysia, Congo, Peru, Cambodia, Bangladesh, Bolivia and Nepal.

A book on Kim's youth guidance movement in North Korea was published in Denmark Feb. 7, celebrating his birthday "whole-heartedly."

To commemorate Kim's birthday, a Cuban dignitary visited North Korea, but few other foreign special envoys.

Despite its severe shortage of hard currency, North Korea sponsored the first international figure-skating tournament just to commemorate the junior Kim's birthday.

A celebration frenzy seemed to be in full swing in Pyongyang and Kaesong as well, a city north of the Demilitarized Zone which separates the capitalist South Korea from the Communist North.

A North Korean guide, however, said Kim himself had told his subordinates to reduce his birthday celebrations. The guide would not say why Kim issued such a directive.

The North Korean authorities appeared to have tried to make use of South Korean Prime Minister Chong Won-sik and his entourage in promoting the political standing of Kim Chong-il.

South Korean officials said Chong's northern counterpart, Yon Hyong-muk, invited him to observe a mass game at Pyongyang Gym. Feb. 20. As Chong turned the offer down, Yon was quoted as promising that he would strip the event of any political overtones.

Chong later agreed to watch the game. He found that the nearly two-hour mass game lasted only 40 minutes. But it still paid tribute to Kim Chong-il.

A Seoul official said that if Chong had refused to show up at the gym, the "pragmatic" Yon might have been put in the dog house.

The mass game which North Koreans boasted as "fantastic" was first staged on Kim's birthday. It has since shown to foreigners as well as ordinary people.

Several years ago a South Korean delegation made up of government officials stormed out of a Pyongyang stadium in protest against the "political nature" of a mass game, shocking North Koreans.

A visit to a large hospital devoted to the treatment of pregnant women in Pyongyang also revealed that the campaign to deify Kim Chong-il was well in progress.

A middle-aged woman doctor told a group of South Korean reporters that the "Dear Leader" had ordered the building of that hospital for the promotion of the wellbeing of Pyongyang citizens.

Many North Korean TV cameramen were seen carrying Japanese-made cameras with tags saying that their cameras were the gifts of Kim Chong-il. One said, "This is the gift of comrade Kim Chong-il."

Ko Yong-hwan, a former North Korean diplomat who defected to Seoul last May, recently told Seoul reporters that he believes Kim Chong-il is already assuming "supreme power" in North Korea. Chang Song-taek, brother-in-law of Kim Chong-il, and the elderly Kim take second and third place in the terms of actual power. Chang is currently said to be vice chief of the Workers Party's Organization Department.

A Korean-American journalist, too, said it was her understanding that Kim Chong-il controls everything in the North including diplomatic affairs. "Only in name, I think he is second to Kim Il-song."

She regretted that no other American reporters were allowed to visit Pyongyang this time, although many had applied for entry visas. In contrast, a troop of 19 Japanese newsmen were allowed into the reclusive Communist state. Anyway, North Koreans would not believe that Kim Chong-il exercises more power than his aging father.

They tried to discredit Western reports that the elder Kim would soon transfer the presidency to his son. "I do not think that will happen soon," a North Korean guide said.

He denied that Kim Chong-il commands little respect among North Koreans. "He is a genius in literature, culture, economics and other affairs," he contended.

But Ko, the North Korean defector who once worked as a French-language translator for Kim Il-song, has said the younger Kim is not popular among his subjects because the economy is a shambles.

"Curiously, the North Korean economy has been on the slide ever since Kim Chong-il assumed a greater role in the Workers' Party in the early 1970's," Ko told THE KOREA HERALD in an interview last year.

DRPK Antagonistic Toward U.S., Japan, South

SK2702021992 Seoul THE KOREA HERALD in English 27 Feb 92 pp 2,3

[Third in a series of articles entitled "Pyongyang as I See It" by political writer Kang Sang-yun, who covered the sixth round of inter-Korean prime ministers talks in Pyongyang 18-21 Feb: "Anti-United States, Japan Sentiments Die Hard in North Korea"]

[Text] "Comrade Yi," a pretty conductress aboard a Pyongyang-bound special train, attracted a lot of attention and questions from the Seoul reporters who were accompanying Prime Minister Chong Won-sik and other South Korean delegates to the recently ended sixth high-level inter-Korean talks in the capital of North Korea.

In many aspects, however, she was not an average girl like those found in Seoul. She was an ideologue.

As if to demonstrate that she lives in a tightly closed Marxist society, she refused to unveil her full name. Besides, she was downright hostile toward South Korea and the United States.

"Would you like to travel to Seoul?" one Seoul reporter asked.

"Never," She snapped.

"Why is that?"

"Because South Korea is occupied by the United States. I would go there only after national unification."

Antagonism and bias toward the United States and Japan as well as South Korea die hard in the North.

Most of the North Korean youths and students whom this reporter encountered at the Grand People's Study House in downtown Pyongyang looked like the "Red Guards" of China.

They appeared angry and threatening, ready to physically assail the South Korean newsmen doing interviews.

Without exception, they were self-righteous on every issue, while brushing aside views aired by the visitors from Seoul.

They insisted that the South is a colony of the United States and that there are still 1,000 nuclear bombs stored in the South.

They refused to listen when this reporter retorted: "some Southeast Asian countries want American GI's to remain in South Korea to help head off the revival of Japan's militarism."

"That is a blatant lie," chorused the students.

"U.S. forces stand in the way of national unification that 70 million Koreans hold dear," one student insisted.

They turned a deaf ear to the explanation that GI's, now numbering fewer than 40,000 in the South, would pull out of South Korea if a majority of the South's 43 million people want them to.

And they were told, "Besides, you should remember that despite the massive presence of Soviet troops in the now-defunct East Germany, West and East Germany have become a unified country."

"Then do you, South Koreans, want a German-style unification?" one youth asked.

South Korean officials said the North Korean authorities are fearful of the "absorption" of East Germany by much more prosperous West Germany.

The war of words between this reporter and the North Korean students went on.

One asked, "What do you think is the greatest roadblock to national unification?"

"The biggest hurdle is the sharply different political systems of the South and the North and their economic gap," this reporter replied.

All the students then claimed that the "Koryo confederal system" which North Korean leader Kim Il-song has long advocated is the ideal way for unification. Under the formula, they insisted, the capitalist South and the communist North could be "unified" while preserving their opposing political systems.

"Could it work? What if both sides fail to settle major disputes arising from the confederation? And such a formula has never been used in the international community," this reporter asked.

The students said in unison, "We invented it. It deserves to be put to use."

Asked why North Korea is desperate to improve ties with its long-time enemies such as Japan and the United

States, they insisted that the North Korea is not begging for aid from these countries.

One student contended that the North is just trying to take back what it had lost to the Japanese during the brutal 35-year colonial rule. "Our demand for compensation is legitimate," he said.

Both Japan and North Korea have been holding normalization talks since January 1991.

As for the United States, the student said, "Americans are on their knees, begging for our forgiveness."

However, a North Korean guide told this reporter a different story. "We will seek better relationship with Japan and the United States if to do so is considered conducive to national unification."

As a matter of fact, North Koreans can't discuss anything with South Korean visitors without referring to the word "unification."

North Korean Prime Minister Yon Hyong-muk mentioned the word as many as 53 times in his keynote speech at the second-day session of the Pyongyang prime ministers' talks.

South Korean officials said it is hard to predict how soon North Koreans will ease their bitter feelings toward South Korea, the United States and Japan even if the North manages to improve its ties with the three countries.

Curiously, English is the foreign language that North Koreans are eager to learn, according to northern guides.

Midle school students, they said, are free to choose one of several foreign languages. Most of them opt for English. Now Russian is the least popular subject, they said, adding that the demand for Japanese and Chinese is just so so.

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* North Softens Anti-South Rhetoric in Textbooks

*922C0094A Seoul HANGUK ILBO in Korean
31 Dec 91 p 21*

[Article by reporter Yi Si-yong: "Findings on the Analysis of North Korea's Primary and Secondary School Textbooks by the Education Research Society"]

[Text] Recently, the Education Research Society To Prepare for Reunification, a curriculum study group of primary and secondary school teachers, released the findings on its study of primary and secondary school textbooks used in North Korea, drawing keen attention amid the rapidly improving North-South relations in the wake of the signing of the North-South agreement.

North Korea, for the purpose of training personnel dedicated to the communist revolution, holds these as the goals of education: the carrying forward of the revolutionary traditions, politico-ideological education, the practice of organizational life, and the linking of education to productive labor.

The school system in North Korea is divided into general schools, special schools, and adult schools. The school system for general education consists of four-year people's schools, six-year senior high schools, and four to six-year colleges and universities.

The 11-year compulsory education system consists of a one-year higher kindergarten class, the four-year people's school course, and the six-year senior high school course. The Kim Il-song University, colleges, and teachers colleges constitute the institutes of higher education. The children of the privileged class attend the Nampo and Mangyongdae Revolutionary Institutes, and talented children with good family backgrounds and regarded as ideologically superb enter schools of arts and physical education.

The following are the substance and system of North Korean textbooks by curriculum as analyzed by the aforementioned education research society:

Korean Language

In the case of primary schools, there are only 32 Korean language units out of the total 196 units. On the contrary, units for praising Kim Il-song and Kim Chong-il number as many as 124. Forty units are dedicated to communist moral education. The names of Kim Il-song and Kim Chong-il are invariably printed in bold Gothic letters with the honorifics of "Marshal" and "the Dear Leader," respectively.

In the education of patriotism, the main themes used in South Korea have nationalistic and liberal tones, whereas in North Korea themes designed to build a communist society form the main stream.

In North Korea, despite its emphasis on the independent stand and attitude, many foreign words are used. In South Korea, the Korean language is influenced mainly by English, whereas in North Korea it is influenced by Russian and Japanese as in naming things like tractor, villa, ribbon, tank, and cup.

Mathematics

In Korean language textbooks, North Korea conspicuously spruced up many words of Chinese origin with indigenous Korean words. But, only Korean words are used in North Korean math textbooks. To cite some examples, *bbaegi* for *dolgi* [subtraction], *parun sagakhyong* for *chong sakakhyong* [square], *tuisem* for *komsan* [verification], *saguimchom* for *chopchom* [point of contact], *kakkaun kap* for *kunsakap* [approximate quantity], *onggunsu* for *chongsu* [whole number], *ankatkipyo* for *pudungho* [sign of inequality], *anakkak* for *naegak* [inside angle], *bbojokkak* for *yegak* [acute angle], and *tollimsu* for *pigamsu* [minuend].

The math textbooks published in 1966 contained many arithmetic problems designed to misrepresent and vilify

South Korea and arouse enmity toward the South, such as "he went to school wearing the overcoat given by the fatherly leader as a gift," "six airplanes of the beastly Americans were shot down," and "13 South Korean children offered to sell their blood and 14 other South Korean children offered to sell their eyes." But many of such problems have been eliminated beginning in 1982.

Physical Education

The purpose of physical education in North Korea is to bring up the students to be fervent communist fighters by promoting their health and developing their physical abilities.

In particular, sea sports, the campaign to gain height, and physical activities during the vacations are very active. With June and July set aside each year as the sea sports promotion period, students are trained so that they can swim one to two kilometers.

Moral and Social Education

It is difficult to find any part dealing with filial piety and ancestor worship in North Korean school textbooks. In the unit named "etiquette and morals," it is stressed that "to keep the beautiful customs of the Korean people alive, it is necessary above all to arm the students airtight with the great chuche ideology of Marshal Kim Il-song." It is also stressed that "in capitalist society, anti-popular etiquette and morals are being taught as a means of suppressing and exploiting the working people." Thus even our traditional etiquette and morals are denied in North Korea.

The Education Research Society To Prepare for Reunification is a study group of primary and secondary school teachers under the jurisdiction of the Seoul Municipal Office of Education. Its comparative study of North and South Korean curricula was planned by Education Research Officer Chong Ki-pang and Education Research Fellow Pak Hwa-so of the Seoul School Education Institute.

The members of the study committee with their specific fields of study are as follows: on primary education, Paek Ui-pin (ethics, superintendent of Munsong Elementary School); Kim Ho-chae (Korean language, superintendent of Sanggye Elementary School); Kim Chae-kwang (math, superintendent of Inwang Elementary School); Yi Won-pyong (Physical education, Oryun Elementary School teacher), Ki Chong (music, superintendent of Nanhyang Elementary School. On secondary school education, Chong Kyu-won (history and social studies, superintendent of Kangdong Middle School); Kyong Tong-ho, Korean language, superintendent of Airport Middle School); Yi In-won (math, Wonnam High School teacher); Kim Nam-chu (sports, Seoul Sports High School teacher); Chong Yong-il (music, Seoul Science High School teacher).

Reporter Finds North Koreans Interested in South

SK2702014492 Seoul THE KOREA TIMES in English 27 Feb 92 p 2

[Final article in a series by Kim Sung-pok, who returned to Seoul 21 February after a four day stay in Pyongyang to cover the North-South high-level talks: "Breeze of Change Only Felt at Top Rungs of NK Society"]

[Text] A few minutes after the train with the southern delegation on board left Kaesong Station for Pyongyang, a North Korean guide abruptly asked me, "Who will be the presidential nominee of the Democratic Liberal Party?"

"At present, the chances are high for Kim Yong-sam," I replied.

The guide who introduced himself as Choe Song-pil then asked, "Is he popular in the South?"

He revealed that he was a guide assigned to Vice Economic Planning Minister Han Kap-su, a South Korean delegate, and that his former "guest from Seoul" during the fourth premiers' talks was Kim Chong-hwi, senior presidential aide for foreign affairs and national security.

It was certain that Choe holds a high post in North Korea. He appeared to enjoy mingling with newsmen from Seoul and talking about "political issues" as he was very familiar with what was going on in the South.

He continued to ask many questions: Will President No Tae-u handpick Kim Yong-sam as the standard-bearer? Is there a possibility that Kim Yong-sam would bolt from the ruling party? Will the opposition Democratic Party born through the merger of the parties led by Kim Tae-chung and Yi Ki-taek do well in the coming parliamentary elections? What is the popularity of Chong Chu-yong's party? Will Pak Chol-on contend for the presidential nomination?

"You are very interested in South Korean politics," I quipped.

He responded, "When the new president takes over, will the North-South agreement still be honored?"

"Of course." Then I questioned him on his view on when president Kim Il-song is expected to hand over the presidency to "Dear Leader" Chong-il.

"The Great Leader is still in good health and the Dear Leader (junior Kim) is good at assisting the Great Leader," he answered.

"You know, the president is elected through a popular vote in the South. Don you not think it is democratic?" I asked again.

"The Dear Leader has kept company with the Great Leader and learned the Great Leader's revolution philosophy. Therefore, we think the Dear Leader is the sole person to take over the presidency," he said.

When we conversed about the coming parliamentary elections in South Korea, a senior North Korean reporter dropped by my compartment.

As he sat down, he asked, "Who will become the presidential candidate of the Democratic Liberal Party?"

During my visit to Pyongyang, many people whom I met there were eager to get up-to-date information on political issues. It is coincident that the "power inheritance" is reportedly imminent in the North, while President No has only a year left before the end of his term.

The topic of our dialogue shifted to the frequent visits by high-caliber South Korean businessmen and religious leaders to Pyongyang in recent days, including Kim U-Chung, Chong Chu-yong and Moon Sun-myong for economic cooperation, since it appears to contradict-Kim's chuche (self-reliance) ideology.

Choe explained the "Grand Politics" of the "Great Leader," calling for "unity among all people to make contributions to national unification even if they have different political opinions, religions and ideologies."

"The Great Leader has said that let the rich contribute with their money and the learned with their knowledge. And assistance should not be spared for those who make efforts for the people and the fatherland," he added.

His remarks hinted at the possibility that North Korea will "invite" more South Koreans who it believes will come to the aid of its faltering economy but it was certain that it will draw a clear line between its economic demands and South Korea's wish to lead the Stalinist regime out of isolation.

While the train was on its way to Pyongyang, North Korean reporters held an unscheduled interview with Vice Economic Planning Minister Han from Seoul.

Their questions focused on how South Korea can help the North in case of inter-Korean economic exchanges. They also asked questions on the principles of capitalist markets.

A senior North Korean reporter who shared a dinner table with me in Pyongyang asked, "Which business group is bigger, Hyundai or Daewoo?" The reporter revealed he has keen interest in Kim U-chung and his business philosophy.

Another North Korean newsman said, "Chong Chu-yong stated he will help us but his remarks started out like a dragon's head but ended like a snake's tail."

During my four-day stay in the North, I had the chance to talk with a man about the capitalist and socialist systems.

As I admitted there are problems in capitalist countries, including the widening gap between the rich and the poor, he said, "The capitalist system has its own problems and the socialist format has its own, too."

Through the dialogue on politics, economic cooperation and the social systems, I could feel a wind of change in the minds of North Koreans. But, by all accounts, the wind was very weak and limited to the high class of society.

Before the second-round of the conference started on the third day in Pyongyang, I tried to stop an elementary school girl to talk to her in front of the People's Culture Palace. She looked scared and ran away. Maybe, she thought I am a visitor from an "enemy" country.

The general impression after the visit to Pyongyang is that north Korean leaders, who keep the people under the spell of chuche ideology, will open only as much as they need without damaging their system and that the wind of change will be contained to a very limited number of people at the top rungs of power.

UNDP Sponsors Meeting on Tumen River Project

DPRK Delegates Arrive

SK2602035492 Seoul KBS-1 Radio Network in Korean 0300 GMT 26 Feb 92

[Text] Three North Korean delegates have come to Seoul through Panmunjom to attend an international meeting on the development of the Tumen River estuary sponsored by the United Nations Development Project [UNDP].

The three members of the North Korean delegation, Yi Song-tok, section chief of the State Administration Council Secretariat; Yim Tae-tok, director of the Committee for the Promotion of External Economic Cooperation [taeoe kyongje hyomnyok chujin wiwonhoe]; and delegation head Han Tae-hyok, director of the General Bureau of Cooperation with International Institutions at the External Economic Committee, left Panmunjom for Seoul at 1000 this morning after a brief entry process. Upon arrival, they checked into the Shilla Hotel, venue of the conference.

Meeting Opens in Seoul

SK2702043292 Seoul YONHAP in English 0128 GMT 27 Feb 92

[Text] Seoul, Feb. 27 (YONHAP)—An international meeting sponsored by the U.N. Development Program (UNDP) to discuss the multi-national Tumen River project opened at Hotel Shilla Thursday morning for a two-day run.

The first Program Management Committee (MPC) meeting was attended by delegates from six countries—South and North Korea, China, Russia, Japan and Mongolia—and officials from the UNDP and the Asian Development Bank.

Opening the session, South Korean Vice Economic Planning Minister Han Kap-so said he was convinced that if the Tumen River project was carried out successfully, it would contribute greatly to the prosperity and growth of Northeast Asia.

"I find it highly significant that a number of regional countries jointly explore ways to better develop the area of Northeast Asia," Han said. He then pledged that South Korea would extend the most available support to the scheme taking advantage of its rich development experiences.

The Seoul meeting is set to delve into the economic feasibility of the project, prepare guidelines for the business of three task teams to be formed, and future schedules for its implementation.

The UNDP's tentative timetable calls for the the completion of all preparatory works by July 1993 when all schedules of the project are to be finally decided on at a high-level meeting among the participating countries.

The Tumen River project is designed to develop, in a UNDP-sponsored multinational scheme, a vast area of the Tumen River bordering North Korea, China and Russia into a sort of special economic district for free trade and industrial activities.

In this connection, North Korea has aired a plan to develop the Sonbong and Najin area near the Tumen River basin into a free economic and trade zone to induce foreign joint venture projects.

China has produced a scheme to dredge the estuary of the river to create a large harbor and build an extensive industrial zone near Hunchun, while Russia is known to have been interested in the development of the Siberian area adjacent to the river basin.

South Korea was represented at the meeting by Kim In-ho, assistant economic planning minister for international policy coordination; North Korea by Han Tae-hyuk, director-general of the External Economic Commission, general bureau for cooperation with international organizations; and China by Long Yongtu, director for international relations and trade.

The Russian delegation was headed by Yuriy Afanasiev, deputy head of department for multinational economic cooperation, State Committee for External Economic Relations; the Mongolian team by R. Batmend [spelling as received], deputy minister of national development; and the Japanese delegation by Okada Takashi, assistant director of the Northeast Asia division of the Foreign Ministry.

The foreign delegates are scheduled to leave the country on March 2 after touring the Pusan harbor and the tourist attraction of Kyongju on February 29 and March 1.

North Hopeful on ROK Investments

SK2702082592 Seoul YONHAP in English 0527 GMT 27 Feb 92

[Text] Seoul, Feb. 27 (YONHAP)—North Korea hopes South Korean enterprises will positively take part in the special economic zone it is building near Sonbong and Najin, a senior North Korean official said here Thursday.

Han Tae-hyok, who came here Wednesday [26 February] along with two other North Koreans to attend a United Nations Development Plan (UNDP)-sponsored conference, made the remarks while meeting with South Korean reporters.

Asked if South Korean businesses would be allowed in the special economic zone, Han said, "our Administration Council has already decided on the issue. Once the economic district is completed, southern industries can enter there at will."

Han, director-general for cooperation with international organizations of North Korea's External Economic Affairs Commission, and two other North Koreans are attending the first program management committee meeting for the development of the Tumen River.

They are the first North Koreans participating in an international meeting held in South Korea. The meeting was convened to discuss the multinational project to develop the Tumen River basin shared by the three countries of North Korea, China and Russia.

It is in linkage with the extensive project that North Korea is creating a special economic zone.

Discussing the Tumen River scheme, Han said North Korea has a plan of its own on the project. "But, since it is a UNDP-sponsored international scheme, we will execute our programs within its overall framework," he said.

He said that since the UNDP has full preparations for the project and since the opinions of the countries involved have been coordinated in advance, the project could be undertaken successfully.

About the prospect of inter-Korean economic cooperation, Han said that once the Exchange and Cooperation Subcommittee is created next month as agreed on at the recent South-North Korean prime ministers' talks, ways will be discussed to implement economic cooperation between the two sides.

Another North Korean official, Yi Song-tok, an Administration Council section chief, said that those foreign industries which advance to the Tumen area special economic zone will be given tax break and other benefits and allowed to remit profits freely back home.

The three North Koreans drove into Seoul via Panmunjom Wednesday to attend the UNDP-sponsored Seoul meeting on Thursday and Friday.

* Development Plan Detailed

922C0069A Seoul MAL in Korean Dec 91 pp 78-83

[Article by reporter Yi Chae-yong: "All About the Tumen River Development Plan, the Core of a Northeast Asia Economic Sphere"]

[Text] The wind of change that began blowing from near the Tumen River estuary has something extraordinary in it. Like Columbus out to open the New World, a number of countries are rushing in this place, yet a piece of wasteland as of now, with a "dream of virgin land development." South Korea, Mongolia, Japan and even the United States, not to mention North Korea and its neighbors across the river, China and the Soviet Union, embarked on feasibility surveys of the area.

Altogether five international meetings were held on the so-called Tumen River Development Plan [TRDP]—in Beijing in July 1990, Hunchun and Changchun in January this year, Mongolia's Ulanbaatar in July, Changchun in August, and Pyongyang in October. The Ulanbaatar and Pyongyang meetings were held under at the initiative of the UNDP (UN Development Programme, a UN organization of developing nations) and attended by South Korea, North Korea, Mongolia and China as participants, and Japan and the Soviet Union as observers. Until the Pyongyang meeting, the TRDP had been the subject of a widespread rumor and a mixture of optimism and pessimism. While specific ambitions of the countries involved remain a dark secret, factors compelling change are ripening over the region, however.

At the 18 October Pyongyang meeting, K.G. Singh, director of the UNDP Asian-Pacific department, said that "the Tumen River basin can become a center of world trade in the future like Rotterdam or Hong Kong." "More importantly," he continued, "the new cooperation over this area is being pushed ahead by a formula that can promote peaceful development of every nation, a fact no one could even dream about a year ago." As he noted, the TRDP has indeed turned the Northeast Asia region, called the world's powder keg until a year ago, into a stage of multilateral cooperation transcending national boundaries.

A Golden Triangle Unveiled

The Tumen River "triangle zone" as referred to in a UNDP report means in its narrow sense the development of a trade-industrial center linking North Korean, Chinese and Soviet cities adjacent to the estuary. More broadly, it means industrialization and nature development of rear areas including China's Jilin Province, the USSR's Maritime Province and North Korea's Chagang and North Hamgyong provinces. Meanwhile, the "Northeast Asia economic sphere" as referred to by the UNDP means an even broader concept of large-scale international economic cooperation system involving Japan, the entire Korean peninsula, the three Northeast Chinese provinces of Heilongjiang and Liaoning and Jilin, the Soviet Far East, and Mongolia. Those countries taking part in the TRDP are now working on their blueprints of an economic bloc transcending national boundaries. If countries in this region, totaling 300 million in population and $3 trillion in GNP, should embark on cooperation for development, Northeast Asia will be able to form an economic bloc second only to the EEA (European Economic Area) and NAFTA (North America Free Trade Area).

The development plan of such a vast scale originated in a tiny area at the mouth of the Tumen River. China was the first to propose the development of the Tumen River estuary basin. According to Prof. Kim Song-hun, director of the Northeast Asia Research Center of Chungang University, "the Tumen River estuary project was first proposed in early 1988 as the possibility came in sight of a satisfactory settlement of the old border issue.... At about the time when China obtained a Soviet reaffirmation of the validity of the 1866 Hunchun Eastern Boundary pact with the Czarist Russian government, after negotiations, it began pushing its concept of a Northeast Asia economic sphere in earnest." In other words, as China, with no opening to the sea on the east, had the Soviets recognize its right of passage over the approximately 15 km of waterway to Fangchuan at the Tumen River estuary that had been closed to it since the 1983 blockade by the imperialist Japan, it started to show its interests in the development of this area. The Chinese Government is effectively staking the destiny of its three northeastern provinces—which cover an area several times larger than the entire Korean peninsula—on a waterway less than 40 ri's [16 km] in length comparable to that from the Chamsil wharf to the Youido wharf on the Han River.

Even if China gained the right of passage to the sea, the river estuary is narrow and shallow near the estuary and some dredging is required, however. According to an estimate by the South Korean Shipping Industry Research Institute, considering the fact that the Tumen River basin stands on sand, not a bed rock, the dredging work to build a harbor for ships up to 5,000-ton class to get to Fangchuan from the East Sea will cost $1.6 billion.

This was the point that agonized the Chinese Government. Although the $1.6 billion poses a problem indeed, a bigger headache is that even if it decides to dredge the river and build a harbor at the estuary, it will have to face more problems with neighboring countries, such as that involving the railway bridge linking North Korea's Sonbong and the Soviet Union's (Hassan) which spans over the mouth of the river. Also, with regard to the development of Hunchun which it already designated an economic development area, acquiring capital from Japan and South Korea became an essential requirement.

North Korea-China Discord

China, addressing this point at the "international conference on the economic and technological development of Northeast Asia" held in Changchun on 29 August, proposed that the three countries jointly develop the area where they share borders with one another. It further proposed that as the first step, a small-triangle free economic zone be created linking China's (Kyongsin), the Soviet Union's (Possiet) and North Korea's Sonbong (former Unggi), and that this zone then be expanded and developed into a 10,000 square-meter large-triangle special zone linking North Korea's Chongjin, China's Yanji and the Soviet Union's Vladivostok. The Chinese plan also called for the ultimate designation of a development sphere embracing China's three northeastern provinces, the Soviet Far East and North Korea's Chagang and North Hamgyong provinces. Needless to say, the proposal contains a Chinese plan to rebuild the Fangchuan port.

At the Changchun conference, North Korea, while agreeing to the proposed development of the area, insisted that the support by advanced nations investing in the project should be concentrated on developing North Korea's Sonbong as an economic and trade zone rather than on the Chinese construction of a new Fangchuan port, however. It asserted that the Sonbong harbor is deep enough and adequate for moving 100 million tons or more of goods a year. Shipping and trading through Sonbong with Liaoning, Jilin and Heilongjiang provinces of China, and the Soviet Far East and Central Asian regions is there possible, it insisted.

The difference between North Korea and China was confirmed by North Korean Premier Yon Hyong-muk when he said in an interview with this journal, MAL, on 4 October in New York: "At a glance, the estuary of the Tumen River might appear to be the right place because our borders with China and the Soviet Union converge there. But at that point the river is too narrow for ships to pass. Also, the water is too shallow for adequate port facilities; moreover, heavy rains in summer cause alluvial deposits and, in winter, the river gets frozen. Basically, therefore, it can hardly be a candidate for a trade center.... Therefore, there exist no such things as strained relations with neighboring countries over this issue."

It is known that an effort to reconcile the difference between China and North Korea was undertaken at the Pyongyang conference in October and that there will be a similar process again at the next meeting scheduled for January 1992.

China's Ambition

The Chinese Government, clinging to the Fangchuan plan, puts emphasis on large-scale development of the Tumen River rear regions as well as on an opening to the East Sea. At the same time, a development strategy like this reflects China's policy of openness to the outside world that has gained momentum since the 1980's. In its development program, China has been giving priority to Guangdong Province, which is closest to Hong Kong and Taiwan, and to the traditional trade port of Shanghai and other cities on the southern seaboard. As its central substance, the Chinese policy of openness envisions, first, a point-by-point base development formula focusing on cities on the Pacific seaboard, the Yellow Sea and the Bohai Sea, then linking these points—including Shanghai, Shandong Peninsula, Tianjin, Dalian, Shenyang and Changchun—to form lines, and spreading these lines out into spheres.

This development formula proved effective and as a result, in China today, 90% of the investment in the three-category (partnership, joint venture, independent) enterprises is concentrated in these open coastal cities. Furthermore, China's foreign trade last year registered more than $8 billion in surplus.

Meanwhile, in contrast to the economic zones south of the Yellow River and those on the Yellow Sea, development of a Northeast Asia economic zone along the Tumen River has not even been put to an official start yet. Especially, for the rich resources and the industrial bases built in the days of Japanese imperialist aggression, the three Northeast China provinces, Heilongjiang and Jilin and Liaoning, are considered China's largest heavy industry center. Also, Daqing represents China's largest oil field today and ranks first in oil deposits. According to the 1990 statistical yearbook published by China's State Statistical Bureau, the three northeastern provinces, representing less than 10% of the whole China in population and size of land, account for 65.1% of the total heavy industry output value and play the role of China's largest heavy industry base.

In the final analysis, China's development strategy on the three northeastern provinces is to advance northward from Dalian on the Yellow Sea or to approach westward from the Tumen River.

In the approach from the Yellow Sea rim the development of which began much earlier, a Dalian-Shenyang freeway construction was completed and put in service last year. Currently, another freeway linking Shenyang, Changchun and Harbin is under construction.

Meanwhile, Hunchun, situated closest to the Tumen River estuary, was raised from county to city when China launched the open-door policy in 1984. It is now a priority development area of Jilin Province. In this area, a Hunchun-Dumen road construction has been completed. In contrast to Dalian on the Yellow Sea, Hunchun still remains a virtual wasteland except for the meager Sino-Soviet frontier trade; nevertheless, Premier Li Peng visited there in June, followed by Vice Premiers (Zhou Yongji and Qiu Kahua) in July and August respectively, highlighting importance attached to the Tumen River basin.

Strategy of North Korea, USSR, Mongolia

While China pressed ahead with its development program, North Korea in fact was delaying its opening-up. Although it attempted to bring in foreign investment on a limited basis under the joint venture law it enacted in 1984, the result was rather insignificant. If China should push its program of opening-up to the world to an area adjacent to its border, however, it would change the whole picture for North Korea and make the matter far more complex. Also, North Korea's trade with five Northeast Asian countries accounts for as much as 83.9% of its total trade value. In addition, the abrupt domestic change in the Soviet Union effectively compelled Sonbong and Najin, the industrial centers that had trade relations with the Soviet Union, to find a new way for themselves.

Under the complex pressures from these factors, North Korea modified its position about the TRDP, telling the Ulanbaatar conference in July that it will approve of the participation of South Korean capital "if the plan is administered by the UNDP." As North Korea came forward pushing for development of the Sonbong area, the TRDP took on a different aspect in substance. Premier Yon Hyong-muk said in the same interview with this journal: "It is not that we are going to have this area selected for a special zone to experiment the market economy. We are approaching the issue from the standpoint of making an effective use of it as a major intersection of the Northeast Asia economic sphere."

Meanwhile, the Soviet Union, which in July 1987 declared that it will develop Nakhodka and Vladivostok into a special zone under its comprehensive Far East development program, currently shows the most passive attitude toward the TRDP because of the domestic upheaval. It has shown no budgetary nor any detailed execution plans about the special zone creation; all it did was to say that "if foreign firms come in and set up operations, we will take necessary measures including tax breaks." Operations of munitions factories in military cities in this part of the Soviet Union have dropped to about 50%. In Nakhodka's case, Japanese firms are rebuilding port facilities at the Soviets' request but are unable to finish the job because of the Soviet domestic unrest. Yu Pyong-ho, expert adviser to the International Private Economic Cooperation Council of Korea (IPECK) said: "The Soviet Union has a difficulty in securing a labor force due to the low density of population in its Maritime Province region and, as a result, is chiefly interested in agreements dealing with fisheries for now. In China's case, however, it will come to have its own development capability when the time comes. In long terms, therefore, we should be concerned with the Soviet Union, too." The present Soviet attitude toward the TRDP can be described as "willing in mind but disabled physically."

Emerging from under Soviet influence, Mongolia also launched a nationwide open-door policy and became a major UNDP member. It is expected to take even more positive opening-up measures when the Ulanbaatar-Harbin-Dumen-Hunchun railway project is completed in 1992.

Movement of South Korean, Japanese Capital

The development plan like this covering a vast area, including China's three northeastern provinces, the Soviet Union, North and South Korea, and Mongolia, remains but a blueprint at the moment. As pointed out by the UNDP in its report, the TRDP will take more than 20 years to complete and cost $30 billion at least. It requires vast investments to create physical distribution facilities and harbor, airport, railway, communication, utility, water supply and drainage, inland port, environmental protection and educational facilities. Who would invest such enormous funds, really? In the final analysis, Japan is the most likely candidate at the moment. Dr. Kim Hwa-sop of the Korea Institute for Economics and Technology (KIET) said: "Japan will likely abide by UNDP's decisions although it prefers North Korea's Sonbong for priority development. In this respect, Japan—the World War II war criminal—fears that it might be accused of an attempt to create a second Far East Coprosperity Sphere should it rush in there now, however." In fact, it is said that still lingering among the conservatives in Japan is a strong nostalgia for the old days' Manchuria conquest and Sanjiang Pingyuan development. With regard to the question of the Tumen River estuary dredging, Japanese securities business reportedly proposed a massive canal-type dredging to draw in sea water and build an ice-free port. It is said that they even came up with plans to convert the controversial portion of the USSR-North Korean railway over the estuary into an under-sea line, and to build railways to Europe in the future by linking Sonbong to Ulanbaatar.

Furthermore, for the sake of the development of the western seaboard regions (facing our East Sea), including Niigata, lagging compared with the Pacific side since the end of World War II, Japan sees the need to develop a direct route between Niigata and Sonbong or Fangchuan. These regions had been called *omote* or the front through World War II; since the end of World War II, however, they have been called *"ura"* or the back and pushed aside by cities on the Pacific seaboard like Tokyo, Osaka and Kobe to suffer a severe gap in development.

Meanwhile, as regards the 1979-88 Western nations' investments in China, Hong Kong took the unquestioned lead, accounting for more than 50% both in the number of cases and total amount. Hong Kong was followed by Japan and the United States. South Korea's investment was a total of $100 million in 77 cases as of the end of 1990. In contrast to investments by Hong Kong and Taiwan concentrated in southern regions, those by South Korean businesses tend to move away from southern regions such as Shenzhen and Zhouhai to central and northern regions including Tianjin, Qingdao, Taiwan, and Harbin. A look at the present status of direct investments by Korean enterprises in China compiled by the Bank of Korea reveals that investments in the three northeastern provinces of China have been on the increase since the beginning of 1990.

According to business sources, South Korean entrepreneurs setting up operations in the three Northeast China provinces mostly came from North Korea and the ultimate goal of these "venture businesses" is North Korea.

Unlike those small-scale venture businesses relying on low wages, big businesses are more interested in developing natural resources in those provinces, and in combining the factors of production in the Northeast Asian region. A complementary Northeast Asian economic sphere in their conception means a formula to combine resources of the Soviet Union, China's resources and labor force, North Korea's labor force, and capital of Japan and South Korea. According to Yi Kang-nae, researcher of the Lucky-Goldstar Research Center, South Korean enterprises "are likely to lose their relative competitive position in China's southern regions where several countries are staging a heated race. In the future, the three northeastern provinces, which are rich in resources and where many Korean nationals live, will become more important for them."

At any rate, South Korean enterprises are busy getting ready to venture into Northeast Asian markets, be it Chinese or North Korean. Business communities are accusing the government of having been preoccupied with the political aspect of *Nordpolitik*, and of having acted prematurely on the $3 billion aid to the Soviet Union which it granted in return for the ROK-USSR diplomatic normalization. The government thus created an obstruction to ROK-China rapprochement, they charge.

Political Hurdles to the Tumen River Basin

Thus, by participating in the TRDP, the government has taken a bunch of tasks upon itself including North-South Korean problems and problems with China and Japan, all at the same time. China, North Korea, the Soviet Union, Mongolia and Japan are also in a similar situation in their respective way.

The UNDP is currently playing the role of coordinating the interests of the countries involved. At the Pyongyang conference held with the UNDP's backing, the participants agreed: 1) to spend $2 million over the next 18 months for basic researches on the TRDP concept and management system that will be in the interests of each and all the participating countries; 2) to promote mutual cooperation in the second phase through intergovernmental agreements in the areas of trade, expediting of investment, communications and exchanges of information, and development of human resources; and 3) to create cooperation committees between individual countries to oversee activities relating to the TRDP with the backing of the UNDP.

It is not necessarily a generally-held view that UNDP's backing will provide the TRDP with additional momentum, however. For the reason that the past conferences held at its initiative adhered to the "principle of secrecy" and have so far shown no specific and visible results, a fairly large number of people are skeptical of the UNDP's role. Also, the fact that there has been no precedence of a large-scale regional development project successfully carried out in an area adjacent to national boundaries constitutes another factor casting a gloom over the future of the TRDP.

Indeed, such potentially negative factors are ubiquitous. Each of the three Northeast China provinces has different priorities in its development program; besides, it is not the Beijing Government that is currently participating in the TRDP but Jilin Province in its unilateral capacity. Underlying such pessimistic assessments is the suspicion that the UNDP is moving with United States backing.

In this connection, a KIET researcher said: "Northeast Asia is the only region still left free of the influence of the United States-led new world order process since the end of the Gulf war. As cooperation increased between countries in this region, the United States saw the need to intervene. One may say that the United States is exercising its initiative over the development issue of this region through the UNDP." What he means is that the United States is using the UNDP to secure its leadership over the region's development and coordinate its speed; consequently, it is inevitable at the moment that the issue of such long-term development, taking more than 20 years to complete, reflects interests that are more political than economic.

Increased Investment Between Countries Possible

A review of progress so far indicates that countries attending the conferences will likely expand their bilateral or multilateral cooperation. In China's case, although it is pushing ahead with its Tumen River estuary development plan on a provincial basis involving Jilin Province, there is no doubt that the nationwide opening including this region represents the Chinese Government's long-term strategy. Addressing a ceremony marking the 80th anniversary of the 1911 Chinese revolution on 9 October, State President Yang Shangkun criticized the dogmatic line of the conservative faction within the party and lauded China's economic growth in the past decade. He then declared that "the task of planting the faith in socialism in the hearts of those who lack the faith depends on what progress we make in our work in each sector, including the economy." Furthermore, since the upheaval in the Soviet Union, China has been strengthening a new socialist alliance with Vietnam and North Korea. At the same time, over the TRDP, it appears to be following a line of paying due respect to North Korea's position and promoting Northeast Asia economic cooperation rather than seeking development of the Tumen River basin too hastily and committing the folly of harming the vitally important mutual interests.

Currently, economic cooperation is going on vigorously between those socialist countries in Northeast Asia that declared the open-door policy, i.e., North Korea and China, and capitalist nations such as South Korea and Japan, on a bilateral or multilateral basis.

In July, the North Korean director of the General Bureau of Harbors and Ports, Kim Chong-kon, visited Niigata to brief Japanese officials of plans to develop Sonbong into a new port through excavation. As seen in this fact, North Korea-Japan cooperation will gain further momentum once the bilateral issues of war reparation and diplomatic normalization are settled.

Between China and Japan, too, there are a number of cooperation tasks awaiting resolution, including the opening of a Fangchuan-Niigata sea route. Meanwhile the Soviet Union and Japan are expected to step up mutual cooperation as soon as they reach a settlement on Japan's claim to the four northern islands.

Meanwhile, Japan's position toward the TRDP is that unless its past history should prove to be a barrier, it will be ready for capital participation at any time. The Japan External Trade Organization (JETRO), in its 1990 assessment of Chinese competitiveness by provinces, puts Liaoning Province on top of the list. Japan has been pursuing its strategy to find its way into China in a manner so aggressive that it prompted comments that "Japanese businesses manipulated the Dalian mayor through wheeling and dealing."

Thus, as the possibility of bilateral cooperation grew, the United States found that it cannot afford to stick to political interests alone such as North Korea-Japan normalization any longer. It is currently studying plans to open a new consulate in Harbin or Yanji, in addition to the one in Shenyang, Liaoning Province. Furthermore, it is known that Bechtel Group Inc., a leading U.S. construction firm, announced its intention to participate in the project after completing a feasibility survey of the Tumen River basin.

A Repeat of Century-Old History?

The UNDP's role is to act as a go-between in the search for such bilateral or multilateral cooperation. In the view of experts, the TRDP will make its outline increasingly clear as time goes by amid the interacting interests of countries involved, regardless of the conflicting assessments of the UNDP's role.

Meanwhile, the outlook of economic cooperation in the Northeast Asia region is that it will proceed in a formula different from the EC-type horizontal division of labor, in which countries involved are in similar conditions in terms of the factors of production including labor, capital, natural resources and technology. In Asia, with the gap in development still wide and relative preponderance varying between countries, a vertical-type division of labor is emerging. South Korea and Taiwan formed such vertical-division-of-labor relations with Japan; likewise, the possibility is high of Japan's capital, China's resources and North Korea's labor force being combined vertically. South Korea, especially, confronted with the advanced nations' protectionist trade policy and an industrial decline of its own, finds it increasingly necessary to participate in their development programs to find a breakthrough for, among other things, its textile, electronic and other labor-intensive industries. The task that should first be accomplished before making inroads into these areas is cooperation between North and South Korea.

The reason why the potentiality of the Northeast Asia region came to be highlighted can be traced to the open-door policy begun by China a decade ago and to the sweeping changes in the world history including the Soviet upheaval. We should pay attention to the fact that this development has a driving force in it that even transcends ideological differences and national boundaries regardless of whatever severe conflicts in interests might exist between countries.

It was exactly a 100 years ago at the dawn of the modern age that the four countries—China, Japan, Russia and Korea—fought for the control of the Korean peninsula. Today, the importance of the peninsula remains unchanged as a strategic point, geopolitically. Changes coming to this region in the next generation are based on motives and conditions that are fundamentally different from the way they were a 100 years ago behind those warships and cannons, however. In this context, if one should try to define the role of the Korean peninsula in the Northeast Asia region by applying the same old cold war-era formula, the result will be an anachronism, like the cold war itself.

Thus, a basic change defying any political imagination is now being predicted for the region along the Tumen River that had been territory of the ancient Kokuryo and was once plagued with unending border disputes between the Qing dynasty of China and Korea since Qing's Emperor Kanghui erected a boundary mark, and where Korean people of the colonial days crossed the river under cover of night to flee the repressive hands of Japanese imperialism.

Table 1. Present Status of Direct Investments by ROK Companies in the Three Northeast China Provinces (unit: $thousand)

Company	Province	Approved Amount	Type of Industry
Hanmi Brush	Liaoning (Yongkou)	200	makes cosmetic brush
Shin-Il Leather	Liaoning (Yongkou)	850	makes lthr garments
Hanjung Stone	Liaoning (Dalian)	300	mines granite stone
Sonbong	Liaoning (Shenyang)	200	makes starch
Kang-Jin Trading	Liaoning (Yongkou)	1,000	makes ski gloves
Namhae Textile	Heilongjiang (Harbin)	160	makes kimono sash

Table 1. Present Status of Direct Investments by ROK Companies in the Three Northeast China Provinces (unit: $thousand) (Continued)

Company	Province	Approved Amount	Type of Industry
Bulro Ginseng	Jilin (Changchun)	1,700	makes corn products
Sinjoo Industrial	Liaoning(Shenyang)	720	makes gloves,bags
Samick Musical	Heilongjiang (Harbin)	17,949	makes piano
Tae-Bong Electric Industry	Liaoning(Shenyang)	2,000	cables
Sinchon Drug	Jilin (Yanji)	340	makes bear gall tablets
Sang-Kyung Mulsan	Liaoning(Dalian)	828	drinking straws
Han-Yung Industry	Jilin (Yanbian)	400	makes cotton gloves
Yongchang Akki	Liaoning (Yongkou)	880	makes piano frames
Tong-Nam Sangsa	Heilongjiang (Mudanjiang)	319	lumber,seat cover
Taejon Industry	Heilongjiang (Hakdong Xian)	200	toothpick,chpstick
Tongjo Seoul Trading	Lianing(Bongye Xian)	50	mushroom,foods
Jung-Woo Confectionary	Heilongjiang	50	makes candies
Okpang Synthetic Textile	Heilongjiang (Harbin)	130	bags
S.K. Trading	Lianing (Bongye Xian)	50	jewel processing
Soksan Silop	Liaoning	400	makes granite products
Ilshin Enterprise	Liaoning (Shenyang)	880	makes sweaters
Hyosung Kongye Sanop	Liaoning(Yongkou)	36	lumber,seat cover
Daesong Sanop/Kor. YC electronics	Liaoning (Shenyang)	2,000	antennas
Doonam Trading	Lianing (Dalian)	500	makes knitted clothes
Semo	Liaoning	900	makes socks
Yonghwa Industrial	Jilin(Yanbian)	330	makes melamine bowls
K & K	Liaoning (Dalian)	880	makes sports goods

Talks Held on Russian Draft Amity Pact

SK2702085992 Seoul YONHAP in English 0718 GMT 27 Feb 92

[Text] Seoul, Feb. 27 (YONHAP)—South Korea launched an inter-ministerial study on the Russian draft of the South Korea-Russia amity pact, a government official said Thursday.

The South Korean Embassy in Moscow received the Russian draft on Feb. 19, the official said.

"It will take some time for us to complete our study since we have our own set of demands that we want to include in the pact and because the political situation has changed drastically," the official said.

South Korean President No Tae-u visited Moscow in December in 1990 and announced with then Soviet President Mikhail Gorbachev a joint declaration on basic relations between the two countries.

When Gorbachev came to South Korea in April last year, the two countries agreed to sign an amity pact.

Seoul and Moscow normalized ties in September 1990.

The amity pact will start out with the idea contained in the joint declaration but will have to reflect the changed political climate, the official said.

Russian foreign minister is due in Seoul sometime next month and is expected to discuss the wording of the pact, he said, but it is not certain whether the final draft will be ready before Russian President Boris Yeltsin's visit here in September, he said.

Vietnam Agrees To Increase Economic Cooperation

SK2702120892 Seoul YONHAP in English 1141 GMT 27 Feb 92

[Text] Seoul, Feb. 27 (YONHAP)—South Korea and Vietnam have agreed to step up energy and resources, and industrial cooperation from exploitation of petroleum and gas to steel and car manufacturing, Energy-Resources Ministry officials said Thursday.

In a bilateral economic cooperation meeting Thursday, Korean Energy-Resources Minister Chin Nyom and Vietnamese Heavy Industry Minister Tran Lum agreed to make joint efforts to ease Vietnam's electricity shortage, the officials said.

Korea, based on its own experiences, will help Vietnam in establishing systems and policies to expand export industry and will positively support the country in obtaining World Bank and Asia Development Bank funds for its economic development.

The Korea Electric Power Corp. and the Korea Heavy Industries and Construction Co. are likely to build a gas power plant with a capacity of 3 million kilowatts per hour in Vietnam and get paid some 100 million U.S. dollars worth of liquefied natural gas and liquefied petroleum gas.

A feasibility study team comprising officials from the two companies will go to Vietnam sometime next month.

Korea has also promised to make best cooperation for Vietnam's plan to build a fertilizer factory and the Vietnamese officials now here will discuss the matter with officials of Namhae Chemical Corp. shortly.

Korean officials said consultations would be made between the Vietnamese officials and Pohang Iron and Steel Mill Co. about Hanoi's plan to build an iron foundry or foundries.

Vietnam is keenly interested in auto industry, and the officials will hold talks with Daewoo Motor Co. on their government's plan to build an automobile factory.

In the fields of electronics and machinery parts, joint ventures combining Korea's capital and technology with Vietnam's labor are being considered.

According to the Vietnamese officials, Japan is waging a campaign against South Korea's winning rights to explore the Big Bear oil field of Vietnam.

Japanese firms, which are one of the strongest contenders in the international bidding for the Big Bear oil, are persuading Vietnam not to give the project to the Korean consortium, showing various materials proving Korea's failure in exploiting overseas oil fields, the officials said.

The Japanese were also learned to be offering large-scale assistance to Vietnam in exchange for their participation in the Big Bear development.

After a week-long visit to Vietnam last month, Korean Energy-Resources Minister Chin Nyom said that South Korea was a strong favorite to win rights to explore the Big Bear.

The Hanoi Government is expected to select a foreign partner for the Big Bear project late in March or early in April.

Mongolia Initials Economic Pact in Seoul

SK2702121692 Seoul YONHAP in English 1149 GMT 27 Feb 92

[Text] Seoul, Feb. 27 (YONHAP)—South Korea and Mongolia initialed an agreement on avoidance of double taxation in a working-level officials' meeting in Seoul Thursday. The agreement has a preamble and 29 articles.

It is the first pact of its kind between South Korea and an Asian socialist country.

The agreement will prevent double tax burdens on Korean and Mongolian firms and businessmen that may be incurred in the course of trade, investment and technology transfer.

It will also help accelerate economic cooperation between the two countries by eliminating rooms for disputes over taxation, government officials said.

* Editorial Urges Trade Agreement With PRC

922C0054A Seoul HANGUK ILBO in Korean 5 Nov 91 p 2

[Editorial: "China-ROK Trade Agreement Concluded—China Must Observe Principle Mutual Benefits"]

[Text] Although the Republic of Korea (ROK) and People's Republic of China (PRC) have no formal diplomatic ties, "Separation of Politics and Economics Policy" has been effectively in operation in recent years, and trade between the two countries has greatly increased in recent years. The trade increase between the two nations has taken place in the midst of Korea's snowballing trade deficit. Although a part of the Korean trade deficit is due to the mounting worldwide economic slump, a good portion of it is due to the unfair tariff imposed on Korean goods by the PRC Government. The ROK Government has provided goods from the PRC with the benefit of the most favored nation treatment, which is normally reserved for the ROK's friendly nations such as the United States, Japan, members of EC and ASEAN (Association of Southeast Asian Nations).

The PRC, on the other hand, has put five to 35 percent more tax on some goods from the ROK under the pretext that the two countries have no formal, diplomatic relationship yet. South Korean products, therefore, have that much disadvantage in the Chinese market. It must be recognized that this fact contributes greatly to ROK's trade deficit against the PRC. According to the report published by the Ministry of Commerce and Industry, ROK's exports to the PRC amounted to $676 billion as of last September while imports from the PRC reached $2,454 billion during the same period, producing a trade deficit of $1,778 billion. ROK's trade deficit against the PRC is next to that against Japan.

When ROK's indirect trade with the PRC through trading companies in Hong Kong is included, the nation's exports to the PRC becomes $1,640 billion, reducing the country's trade deficit to $810 billion. ROK's export items to the PRC include TV's, Braun tubes, organic synthetic materials such as plastic substances, fiber and textiles, while import items from the PRC include corn, cement, soft coal, raw cotton, fiber and textile. Because of the difference in the degree of economic developments, the two countries can share a mutually beneficial future trade relationship.

Inexpensive quality goods from the PRC can reduce living costs in the ROK, and Chinese products should be welcome in South Korea.

As a gesture to improve the country's relationship toward PRC, the ROK Government has bestowed a most favored nation's status on the PRC. The PRC, on the other hand, has not responded with a reciprocal measure. As a result, the ROK Government has ended up with an unrequited favor. It is true that the ROK government, in eagerness to normalize the relations with the PRC, has volunteered this one-sided special favor. In any case, the basic principle of international trade calls for reciprocity in favors as well as retaliations. Doing mutual favors appears to be the worldwide trend at the present time. This is also the spirit of GATT (General Agreement on Tariffs and Trade).

It was reported that the ROK and PRC had agreed to grant the most favored nation's status to each other at their first trade talk held in Beijing last August. PRC delegations from her Ministry of Foreign Affairs and Ministry of Foreign Economic Relations on Trade will attend the meeting of APEC (Asean and Pacific Economic Conference) to be held in Seoul on 12 November, 1991. One can only hope that the Trade Agreement and Investment Guarantee Agreement between the ROK and PRC will be concluded soon for improving trade and economic cooperation between the two nations.

* Illegal Transfers of Assets Overseas Increase

922C0053 Seoul HANGYORE SINMUN in Korean 6 Nov 91 p 15

[Text] The amount of illegal transfers of assets overseas has greatly increased in recent years

According to a police report published on 5 November 1991, the number of arrests made with regard to illegal asset-transfers overseas in 1988 was only 72 (the amount of money seized was 480 million South Korean won) while the number climbed to 142 (3.34 billion won seized) in 1989, 340 (over 7.1 billion won seized) in 1990 and 419 (over 8.38 billion won seized) by the end of September this year, almost two folds increase annually. The reason for the increase is partly due to the freedom of overseas travel allowed since 1989, making it easier to take foreign currency out of the country. Furthermore, some wealthy people have begun to spend considerable sums of money abroad with frequent travels as well as by acquiring memberships in leisure clubs overseas.

As the social and economic uncertainties increase, some people divert funds under the pretext of legitimately investing overseas or by sending money to relatives and friends who live abroad.

The ways and means of transferring assets overseas have become more diverse and clever. In case of an enterprise, it could manipulate the price of goods in the process of import/export so that a part of the money can be received overseas or it could take excess foreign exchange out of the country by deliberately overestimating the maintenance costs of overseas branch offices and living expenses of the company personnel abroad.

Some people have been found to hide large denomination foreign currencies and traveler's checks in their purses, in their trousers, in the private parts of their bodies or even inside kimchi jars.

A certain Mr. Yi (age 40), a director at a food-trading company, was trying to smuggle out 110 traveler's checks of $1,000 denomination each by hiding them, wrappen in a plastic sheet, deep inside a plastic kimchi jar. This was discovered during a police x-ray check on the 24th of last month, however.

Yi Moo-sung (age 47), Managing President of Jejoo Paramount Company, was arrested on the 17th of last month. It was charged that he had loaned 250 million Japanese yen (1.25 billion South Korean won) to 28 Japanese tourists as gambling money with the understanding that 40 million Japanese yen out of the loan would be paid back to him in Japan. It was discovered that this same Mr. Yi, by similar means, has been transferring enormous amounts of wealth to Japan and Macao.

Considering cases not discovered by the prosecutor's office and police, the number of cases involving illegal transfers of funds overseas appears to be very big. "Due to the increase in extravagant overseas trips, illegal transfers of foreign exchange has grown dramatically," a police spokesman asserted. He also said, "illegal purchases of foreign monies in the black market would be strictly controlled while traveler's luggage at airports would also be carefully checked for illegal transfer of foreign exchanges. When illegal amounts of foreign exchange is discovered, the culprit would be severely punished."

Firms Market Military Hardware in Southeast Asia

SK2602114292 Seoul YONHAP in English 0731 GMT 26 Feb 92

[Text] Seoul, Feb. 26 (YONHAP)—Negotiations are going on to sell about half a dozen countries Korea-developed military hardware, including minesweepers, armored personel carriers and 40mm naval guns, YONHAP learned from defense industry sources Wednesday.

Talks between Kangnam Co. and Australia and Turkey over minesweepers are progressing particularly rapidly.

"We understand that in this connection Kangnam will hold a briefing in Australia shortly," one of the sources said.

Talks are also going on with Thailand and Indonesia for the shipment of K-200 armored personnel carriers and advanced 40mm naval guns, both developed by Daewoo Heavy Industries Co.

The minesweepers were developed by Kangnam jointly with the Korean Navy, the Defense Science Institute and the Naval Academy's Technical Center. They are now in mass-production after passing a rigid performance evaluation test.

The vessels, some of which have already been delivered to the Korean Navy, cost 60 million to 100 million U.S. dollars apiece and are said to be so sophisticated they can be made by only a few advanced countries.

The K-200's, developed by Daewoo in the mid-1980's with its own expertise, cost about 500 million won (650,000 dollars) each and export talks are under way with five Southeast Asian countries, including Thailand.

The sources told YONHAP that the prospects are especially bright for the K-200's and 40mm naval guns since they enjoy a competitive edge in terms of performance and price, and since most advanced countries have ceased production.

If the arms export drive succeeds, Daewoo plans to contact Third-World countries in other regions, too, they said.

As part of Korea's efforts to promote arms exports, Vice Defense Minister Kwon Wong-hae toured Indonesia, Malaysia, Singapore and Thailand last October. In Thailand, he signed a defense industry cooperation agreement.

Reports, Statistics Indicate Rise in Imports

Consumer Goods Lead

SK2602092192 Seoul YONHAP in English 0741 GMT 26 Feb 92

[Text] Seoul, Feb. 26 (YONHAP)—Imports of consumer goods rose 19.4 percent last year to 8 billion U.S. dollars, due largely to market opening and a refinement of taste among the buying public, government officials said Wednesday.

Imports of foods and beverages soared 38.7 percent to 2.7 billion dollars, and imports of 93 items liberalized last year jumped 47 percent to 642 million dollars.

Beef imports were up 50.1 percent at 455 million dollars, followed by frozen fish at 337 million dollars and bananas at 203 million dollars, according to the officials.

Imports of the 93 unbanned items marked a fivefold increase over 1990 to 69 million dollars.

This proves that consumer goods led the rise in imports last year, the officials claimed.

Finance Ministry To Lower Duties

SK2702084592 Seoul YONHAP in English 0555 GMT 27 Feb 92

[Text] Seoul, Feb. 27 (OANA-YONHAP)—South Korea will lower duties on 7,389 import items 1.14 percent annually for the next five years starting next January as concessional tariffs under the Uruguay Round, the Finance Ministry said Thursday.

By 1997, the tariff rates will be adjusted down to 12.2 percent from the current 17.9 percent set in 1986.

The list excludes all agricultural products and items which South Korea lags in export competitiveness, Ministry officials said. But it covers 82 percent of the total 9,044 products named by the General Agreement on Tariffs and Trade (GATT) on concessional tariffs list, they said.

South Korea will submit its list to GATT on March 1 and undergo a month of negotiations before settling on the final list by end of that month.

GATT rules on concessional tariffs apply reciprocally and stipulate that once the rates are lowered, they cannot be raised again except under special circumstances.

Excluded from the initial list are advanced technological products such as precision machineries, fiber optics and new materials, luxury items such as cosmetics and apparel, and weak exports such as petroleum-related items and pharmaceuticals.

Also to be excluded with GATT permission are products levied with anti-dumping, subsidy or safeguards tariffs.

Although the 12.2 percent concessional tariff target is higher than the average 11.4 percent customs duties of 1990, the differential is not likely to create an excessive burden on South Korea, Ministry officials said.

South Korea will concentrate on tariff reduction negotiations on textile, footwear and other export-strong products through bilateral talks, they said.

Uranium Imports Rise in 1991

SK2702084192 Seoul YONHAP in English 0542 GMT 27 Feb 92

[Text] Seoul, Feb. 27 (YONHAP)—Korea's imports of uranium for generating nuclear power plants amounted to 254 million U.S. dollars last year, up 3.5 percent over 1990, officials at the Energy-Resources Ministry said Thursday.

The officials said uranium was imported from Canada, the United States and France for 23 dollars per pound on an average.

Trade Deficit Increases

SK2702044192 Seoul YONHAP in English 0107 GMT 27 Feb 92

[Text] Seoul, Feb. 27 (YONHAP)—Korea's exports and imports grew 16.2 percent to 5,393 million U.S. dollars and 21.1 percent to 7,320 million dollars, respectively, in January from a year earlier for a trade deficit of 1,927 million dollars, the Office of Customs Administration (OCA) said Thursday.

The arrivals of letters of credit totaled 4,485 million dollars in value, up 14.3 percent from the same period of last year, and the issuance of import permits amounted to 5,416 million dollars, down 25.9 percent, the office said.

Given the reduced amount of import permits, a barometer for predicting the import trend in 2-3 months ahead, growth rate of imports is likely to be somewhat slowed, it said.

Consumption-oriented goods led the imports. Fuel imports soared 24.2 percent to 224 million dollars from a year earlier: machinery (23.4 percent), transportation equipment (125.8 percent), electric and electronics devices (50.9 percent), steel goods (46.1 percent), beverage (23.8 percent) and general merchandise (74.4 percent).

Exports of car decreased 45.3 percent to 59 million dollars in January compared with the same period last year: plywood and wood products (11.5 percent), footwear (7.4 percent) and food and direct consumer goods (5.4 percent).

Burma

Junta Said To Use Chinese Jets To Bomb Karens

BK2702013592 Bangkok BANGKOK POST in English 27 Feb 92 p 7

[Text] Burma's military junta has sent Chinese-made jets to bomb Karen guerrillas positions near their headquarters in Manerplaw, rebel sources said yesterday.

The sources said 10 jets strafed and bombed positions of the Karen National Union in a mountainous area known as Noday, about four kilometres west of Manerplaw.

"It was the first time Rangoon used this kind of warplane against the rebels," said the sources.

They also said the bombing raids had inflicted casualties on the rebels.

They added that the raids were suspended yesterday because of heavy rain.

Manerplaw is also the base of all anti-Rangoon factions, including the Democratic Alliance of Burma, the National Coalition Government of Burma and the All-Burma Students Democratic Front.

Thousands of Burmese troops have taken part in a campaign to capture Manerplaw over the past two months.

Security Caution Urged on Armed Forces Day

BK2702023192 Rangoon Radio Burma in Burmese 1330 GMT 26 Feb 92

[Excerpts] The fifth coordination meeting of the Executive Committee for the 47th Armed Forces Day Celebrations was held at 1300 today in the conference hall at the Resistance Park. Major General Tin U, Army chief of staff and chairman of the executive committee, delivered an address at the meeting.

The meeting was attended by members of the Executive Committee for the 47th Armed Forces Day Celebrations: Rear Admiral Than Nyunt, Navy chief of staff; Major General Thein Win, air chief of staff; Major General Myo Nyunt, chairman of Rangoon Division Law and Order Restoration Council and commander; senior military officials; directors general and directors from government departments; and responsible persons from various committees. [passage on meeting's proceedings omitted]

In his closing address, Maj. Gen. Tin U, the chairman of the executive committee, said this fifth coordination meeting is the final meeting before the holding of the 47th Armed Forces Day ceremony. He said committees concerned are to systematically carry out the remaining work for the Armed Forces Day ceremony and that if necessary, they are to report to the executive committee. He said work should be carried out in such a way that there is no shortcoming in seating arrangements and receptions for the Armed Forces Day. He said he would like to urge all to take special security precautions. He said security is of concern to all. He said that since destructive elements will be thinking of various methods of subversion, special caution should be taken. He said he would therefore urge the development of effective management and cooperation, assistance, and joint responsibility in conducting security searches.

The meeting ended at 1415. After the meeting, Maj. Gen. Tin U and responsible authorities inspected preparations at the Resistance Park and renovation work on the Defense Services Hall on U Wizara Road.

Rebel Groups Form Antidrug Commission

BK2402014192 Bangkok BANGKOK POST in English 24 Feb 92 p 8

[Text] Tak—Leaders of the anti-Rangoon movement agreed on Saturday to set up an anti-drugs commission in areas they control.

The Burma Drug Suppression Commission was set up at the Manerplaw headquarters, opposite Mae Sariang District of Mae Hong Son Province, of groups fighting the Burmese Government.

The agreement was signed by Dr Sein Win, prime minister of the National Coalition Government of the Unity of Burma (NCGUB); Gen Saw Bo Mya, chairman of the Democratic Alliance of Burma (DAB) and president of the Karen National Union; Bran Saeng, DAB vice-chairman; Nai Shewe Kyin, chairman of the National Democratic Front (NDF); and U Myint Saw, a representative of the New Democratic Society Party.

The agreement blames military leaders for making Burma one of the world's major drug producers.

It said drugs problems have intensified since Gen Saw Maung took power in 1988.

Brunei, Malaysia & Singapore

Malaysia

Editorial on Current Border Talks With Thailand

BK2702024592 Kuala Lumpur UTUSAN MALAYSIA in Malay 14 Feb 92 p 6

[Editorial: "Border Disputes Require Talks for Solution"]

[Text] As far as border disputes are concerned, it is in fact not easy for a country like Malaysia. Our country is the only ASEAN country that shares common border with other fellow ASEAN countries.

Malaysia has common border with Singapore, Indonesia, Brunei, the Philippines, and Thailand. If we do not have good relations with our neighboring countries, we will spend more time quarreling with them than working for our own national development.

However, since our relations with our neighbors are excellent, we can always solve any border dispute with them. What is more impressive is our ability to safeguard the stability of this region thanks to those excellent neighborly ties.

The most frequent border incidents have taken place along the Malaysian-Thai border, but the ongoing meeting of the fifth Malaysia-Thailand Joint Border Commission in Langkawi shows that the two countries continue to maintain cordial relations despite recent events which have caused problems.

What is important is the fact that the two countries have not only recognized existing problems, but have also tried to solve them. This is indeed the essence of good relations. As long as two neighboring countries continue to hold talks and admit that problems do exist, we are confident that we can solve those problems.

Several unpleasant incidents, including the intrusion of Thai armed personnel into Malaysian territory and their seizure of Malaysian merchants' commodity goods, have all been settled amicably.

We believe incidents like this will continue to take place along the common border, but what is important is that mutual goodwill should not discontinue.

High-level delegates of the two countries currently meeting in Langkawi will also discuss issues other than the border problem, including trade and investment.

Witthaya Wetchachiwa, chief of the Thai delegation, proposed that Malaysia and Thailand look into investment opportunites in the Indochinese countries by launching joint ventures because the two countries have a lot of opportunities to explore that region. This is indeed a good proposal which will further strengthen relations between the two neighboring countries.

The proposal to further strengthen grass roots relations is undoubtedly the best way to maintain excellent bilateral relations with people from both countries having a chance to know each other better.

People from both countries will get a chance to know each other's culture and tradition, which will not only prevent misunderstanding, but also enhance cordial relations.

Such cordial relations and personal acquaintance may lead to the launching of joint ventures by the two countries. If this takes place, Malaysia and Thailand will enter a new stage of cooperation, which will become an example for other neighboring countries.

We have seen that many countries in the world are hostile to their own neighbors. Such hostilities have led to clashes which are not beneficial at all.

Both Malaysia and Thailand prefer to seek the benefits, rather than the problems, of being neighboring countries. As such, the two countries will reap mutual benefits.

Singapore

CIS Officials at Aerospace Show Cancel Briefing

BK2602142492 Hong Kong AFP in English 0941 GMT 26 Feb 92

[Text] Singapore, Feb 26 (AFP)—A much-awaited press conference by the Commonwealth of Independent States (CIS) at the Asian Aerospace '92 scheduled for Wednesday turned out to be an anti-climax when it was called off at the last minute.

None of the CIS officials were available for comment, but a brief note left by the organisers in press boxes merely said "Aviaexport (which is representing CIS at this exhibition) has advised show management that they do not need the conference room, on this occasion.

"Any inconvenience caused to members of the press is sincerely regretted," the brief three-paragraph statement said.

The Soviet Union had participated in previous exhibitions but this was the first time that the CIS was putting up a joint appearance here.

Officials at the CIS exhibition booth also refused to throw any light on the last-minute cancellation. Their exhibition booth had models of several Soviet-made aircraft on display and pamphlets were freely distributed to the spectators.

Later in the evening a Beriev A-0, an amphibious aircraft, participated in an aerial display.

The CIS has also had an Ilyushin Il-76 cargo plane on static display since the start of the six-day exhibition Tuesday.

The organisers had earlier expected a big Russian, or CIS, presence at this event but it was scaled down just before the start. The organisers attributed the reduced presence to "the domestic problems they are having right now."

Cambodia

German Minister Schaefer Continues Working Visit

Received by Hor Namhong

BK2702022192 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1300 GMT 26 Feb 92

[Text] On the night of 24 February at Chamka Mon State Palace, His Excellency Hor Namhong, foreign minister of the State of Cambodia [SOC] and member of the Supreme National Council [SNC], hosted a reception in honor of H.E. Helmut Schaefer, German state minister for Foreign Affairs. Attending were Mr. Sek Setha, deputy foreign minister; H.E. Wolfgang Lerke, permanent representative of Germany to Cambodia, as well as other officials from the SOC Foreign Ministry and several German diplomats.

Visits Angkor Wat 25 Feb

BK2702073092 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 0430 GMT 27 Feb 92

[Text] A German Foreign Ministry delegation led by His Excellency [H.E.] Helmut Schaefer, state minister for Foreign Affairs of Germany, visited the temple of Angkor Wat on 25 February. Accompanying the delegation were Mr. Sek Setha, deputy foreign minister; H.E. Wolfgang Lerke, permanent representative of Germany to Cambodia; and several other officials from the Cambodian Foreign Ministry.

During the visit, H.E. Helmut Schaefer expressed his admiration of our Cambodian ancestors for having built the Angkor Wat temple complex which is a famous world wonder. He also praised the State of Cambodia Government for its efforts in safeguarding the glorious national patrimony over the past 13 years. H.E. Helmut Schaefer reaffirmed that he would make the German Government aware of the reality in Cambodia and urge his government to provide assistance and expand cooperation with the SOC in the future.

Khmer Rouge Assailed on Non-Cooperation

BK2702085792 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1300 GMT 26 Feb 92

[PRACHEACHON commentary: "It Is the Khmer Rouge Who Do Not Cooperate in the Implementation of the Peace Plan for Cambodia"—date not given]

[Text] At a time when the country is pleasantly implementing the Paris 23 October 1991 peace accord, the Khmer Rouge faction seems to be turning a deaf ear by breaching the agreement on many occasions. It has vociferously shouted for the peace specified in the accord that it signed in Paris on 23 October, but its heart remains dark as always. Do its actions conform with its words?

On 30 January and 7 and 8 February 1992, some 200 armed elements of the Khmer Rouge faction from Division (756) violated our Armed Forces' positions and people's localities at the villages of Khvao and Prateap in the Chi Kreng District of Siem Reap-Oddar Meanchey Province, causing injury to a number of villagers and destroying the people's houses and property. However, ten of their soldiers were captured while committing cruel, barbarous, and destructive acts. They are presently detained [words indistinct].

The Khmer Rouge have not only obstructed the execution of the accord but also caused Brigadier General Michel Loridon, head of the UN team monitoring the cease-fire agreement implementation in Cambodia, to complain: I am very angry about the matter. Brig. Gen. Loridon added that Khmer Rouge generals have refused to allow the UN military personnel to have access to areas under their control by remaining tight-lipped about their mine fields and not permitting map-makers to fly over their sensitive areas. The general confirmed that there was no problem with the other three parties at all but the Khmer Rouge has not yet fully cooperated. And no significant result was produced at the seven rounds of meetings of the mixed military working group in Phnom Penh because the Khmer Rouge faction caused trouble all the time. To avoid accusations from national and international public opinion that they have been hindering the accord, the Khmer Rouge has again used their antiquated maneuvers by claiming that Vietnamese troops are still stationed in Cambodia. Actually, the Vietnamese forces completely withdrew from the country after September 1989, with eyewitness from [words indistinct] to the United Nations.

His Royal Highness Prince Norodom Sihanouk has continuously called on all the parties to stop bickering and fighting each other, but instead to compromise and join hands to promote peace and work for the sake of the motherland's prosperity. The well-intentioned State of Cambodia side has constantly shown its genuine stance on the implementation of the Paris peace accord. Our side has always remained patient, with the sole aim of closing the books on the bloody war, thereby ending the people's sufferings. Our ultimate goal is to recover genuine peace for the people. That being the case, we wish to solemnly declare that the SOC side will continue to remain sincerely restrained to the maximum with a view to executing the Paris 23 October peace accord.

The Cambodian people want to live in security and peace and achieve national reunification, so it is imperative that the Khmer Rouge faction promptly put a halt to their activities that are running counter to the Paris accord. If Cambodia and the Cambodian people cannot achieve genuine security and peace, it is the Khmer Rouge that have created the unpleasant atmosphere obstructing the process of executing the accord. Thus, in terms of the history of the Cambodian nation, they will be held completely responsible.

Australian Commander Wounded Over KR Zone

BK2702075092 Phnom Penh SPK in English 0453 GMT 27 Feb 92

[Text] Phnom Penh SPK February 27—The commander of the Australian contingent of U.N. cease-fire observer forces here was shot and wounded Wednesday in an attack on a U.N. helicopter flying over Khmer Rouge territory in central Cambodia, U.N. official said.

The shooting occurred in a zone north of Kompong Thom known to be commanded by rebel Khmer Rouge

General Ta Mok, but U.N. officials stressed that the attack was not necessarily carried out by the Khmer Rouge.

Australian Lieutenant Colonel Russell Stuart was evacuated to Bangkok after taking a bullet in the leg and forearm, said Brigadier General Michel Loridon, who commands the UN Advance Mission in Cambodia [UNAMIC] military contingent.

A doctor at Bangkok's Royal Thai Air Force hospital said Stuart was hit by two bullets.

Wirayut Chaiyaphinan said one bullet passed through his right leg, but another was still lodged in his left elbow.

He said Stuart was in good condition, but doctors were to operate later Wednesday to remove the bullet from his arm.

"We don't know exactly who fired, Loridon said. "We have asked the factions about this".

"We have to investigate whether it is an incident of soldiers not making a distinction between a duck and a U.N. helicopter or was it someone deliberately firing on our helicopter", he said. "We don't know".

Whether the attack would jeopardize the United Nations largest-ever peacekeeping operation here was not immediately clear, UNAMIC's civilian head Ataul Karim said.

"It's under investigation. We have to await the facts, but the peace process is on", Karim said. "It's too early to make any comment".

A scheduled visit Thursday by Prince Norodom Sihanouk to Khmer Rouge headquarters at Pailin using U.N. helicopters would go ahead, Loridon said.

Stuart is the second in command in the military hierarchy of UNAMIC. Australia contributes the second-largest number of UNAMIC forces, after France.

Officers at Australia's "Kangaroo House" barracks said they were not available for comment.

"He is not seriously wounded," the general said. "I saw him at the airport, and he gave me the okay sign".

Stuart was accompanying two generals from the faction loyal to Prince Norodom Sihanouk, the Armee National de Kampuchea Independent (ANKI) [National Army of Independent Cambodia] to inspect a site in Kompong Thom where ANKI officers were to be grouped in cantonment after the arrival of U.N. Peacekeeping Forces next months.

"I don't think it was ANKI because we were flying with ANKI generals," Loridon said.

Stuart was seated next to an open door in the side of the helicopter flying 300 meters (900 feet) over the future cantonment site 40 kilometers (25 miles) north of the city of Kompong Thom when the attack occurred, the general said.

U.N. sources confirmed the area is controlled by the Khmer Rouge and commanded by Ta Mok, who has been blamed for recent cease-fire violations considered minor by U.N. officials.

The helicopter's rotor blades took two bullets, but it was able to fly to Kompong Thom where the damage was repaired.

A special medivac helicopter flew Stuart and his girlfriend to Bangkok hospital, Loridon said.

The other passengers in the helicopter did not see where the gunfire came from, Loridon said.

The general recently accused the Khmer Rouge of refusing to cooperate with the peace plan ending the civil war.

Khmer Rouge Accused of Attack

BK2702063792 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 0430 GMT 27 Feb 92

["Press Communique" of the spokesman of the State of Cambodia's Defense Ministry; date not given; read by announcer]

[Text] On 26 February 1992, a helicopter of the UN Advance Mission in Cambodia [UNAMIC] flew a UNAMIC delegation from Phnom Penh to Kompong Thom Province to inspect Divisions 4 and 1 of the National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia [FUNCINPEC] there. Lieutenant General Kruoch Yoeum of the FUNCINPEC was also on board.

At 0900 on the same day, the helicopter landed in Kompong Thom Province and then headed for (Po Pok) and Kra Yea communes in Stoung District. They returned after inspecting FUNCINPEC's 4th and 1st divisions there. At 1255 when the aircraft was over the O Kh'yang and Ta Tream villages at the 55.73 point, however, armed elements of the Polpotist 616th division fired many shots at the helicopter. They injured Australian Colonel Stuart on his right leg and left arm. The aircraft's rotor blades were grazed by two bullets, but the helicopter continued to fly and landed in Kompong Thom Province.

This action is further evidence of the Polpotists' warmongering ambition, which is creating a disaster for the Cambodian people, although the State of Cambodia side has patiently abided by the Paris 23 October 1991 peace accord. In the past, the Khmer Rouge, in particular their 616th Division, repeatedly harassed the Cambodian People's Armed Forces. They also violated and encumbered the UN mission, making its search for genuine peace for Cambodia difficult and complicated.

The SOC Defense Ministry feels extremely sorry for the violation and requests that the Polpotist faction scrupulously respect [the Paris accord] and immediately stop armed attacks. In particular, they must correctly implement the unanimous agreement reached by the mixed military working committee on the cease-fire.

SRV Soldiers Sent to Kompong Trabek 23 Feb

BK2702021792 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 26 Feb 92

[Excerpt] According to a report from Kompong Trabek District of Prey Veng Province, the Vietnamese aggressors on 23 February sent 127 more troops by boats from Dong Thap Province, South Vietnam to the district. Upon their arrival to (Pea Nea) commune, those soldiers were split into small groups, then began carrying out activities in various communes, including Cheang Dek, Prathiep, Prasat, and Krasaom Ak communes, and so on. [passage omitted]

Indonesia

E. Timor MP Approves Ban on Portuguese Ship

BK2702090992 Jakarta Radio Republik Indonesia Network in Indonesian 0600 GMT 27 Feb 92

[Text] Salvador Jimenez Suarez, a member of parliament from East Timor, describes as correct the Indonesian Government's decision to reject the planned entry of the Portuguese ship Lusitania Expresso into Indonesian waters, as well as its berthing in Dili, East Timor. Speaking to RRI in Jakarta last night, he said the ship's voyage is a provocative act by Portugal, which is trying to bring about chaos in East Timor.

Commenting on various views put forward earlier, Suarez said if the ship is allowed to berth, it will have a negative impact on the feelings of people living in the republic's youngest province.

[Begin Suarez recording] We all know that Portugal itself abandoned East Timor in an irresponsible manner. Portugal left the province while it was in a chaotic situation. Therefore, the majority of East Timor people prefer to integrate into the Republic of Indonesia, and now Portugal wants to interfere in the province's affairs. Even if they are finally allowed to enter the province, the Indonesian Armed Forces should be vigilant because East Timor will be dissatisfied and will threaten the safety of those who want to enter Dili. [end recording]

Caution Urged in Handling Situation

BK2702094392 Jakarta Radio Republik Indonesia Network in Indonesian 0600 GMT 27 Feb 92

[From the press review]

[Text] Commenting on the provocative dispatch of the Portuguese ship Lusitania Expresso to Dili, KOMPAS describes as cunning Portugal's move to instigate a new incident. The incident can then be characterized as an attempt to uphold human rights. KOMPAS calls for caution so we do not fall into this trap. In addition to a firm political will, proper handling of the ship by the authorities in the actual situation is also important. This daily also hopes that other countries will share Indonesia's view that the dispatch of the ship is a provocative act.

Similar to KOMPAS, MEDIA INDONESIA believes that the rejection of the Portuguese ship is a proper course of action because the ship has never requested permission to enter the country's waters and nobody can predict its real motive. MEDIA INDONESIA describes the voyage as another ruse by the Portuguese Government because its political moves in the international arena always fail.

Passengers Subject to Arrest

BK2702090692 Jakarta ANTARA in English 0801 GMT 27 Feb 92

[Text] Jakarta, Feb 27 (OANA-ANTARA)—An expert on international maritime law, Professor Dr. Mokhtar Kusumaatmaja, said the Indonesian Government has the right to arrest Lusitania Expresso's passengers if the ship enters Indonesian waters without permission.

"Any ship which wants to enter the waters of another country should get a permit from the country concerned," said Mokhtar Kusumaatmaja, who is also a former Indonesian minister of foreign affairs, here Wednesday.

According to Kusumaatmaja, a foreign ship may enter any country's waters freely if the ship cannot continue to sail due to technical problems or other emergency condition.

"Lusitania Expresso's visit is not a problem, but its passengers are, since they are not provided with legal documents as obliged by international laws," he said, adding that in such condition, Indonesia has the right to arrest them.

Mokhtar Kusumaatmaja is also of the view that Indonesia's action of arresting the Portugal's ship [as received] would not cause bad international reactions since the international maritime law allows any country to arrest a ship entering its territories without legal documents.

Portuguese Premier Called 'Jealous' of Alatas

BK2702100292 Jakarta ANTARA in English 0910 GMT 27 Feb 92

[Text] Paris, Feb 27 (OANA/ANTARA)—Portuguese Premier Anibal Cavaco Silva is reportedly jealous of Indonesian Foreign Minister Ali Alatas as the latter had appeared in Portuguese television programmes more frequently than he had.

"Do you know that our prime minister is deeply jealous of you for your frequent appearance in our television programmes as of late?", a Portuguese journalist told Alatas after the latter's meeting with French Foreign Minister Roland Dumas here on Tuesday.

During Alatas' diplomatic round trip to several West European countries since early this month, Portuguese newsmen had always stayed close to the minister everytime he gave clarifications on the Dili November 12 incident to West European political leaders.

In between serious dialogues and often debates between the Portuguese journalists and the minister there had been intimate talks also.

Asked about his forthcoming visit to the Netherlands by the Portuguese journalists, Alatas said that as Portugal's representative in Indonesia the Dutch had taken steps in certain matters following the incident.

"I want to discuss them and the talk with my best friend and colleague Mr. Van Den Broek will be very interesting," Alatas pointed out.

Questioned about the Portuguese vessel Lusitania Expresso, Alatas said that as had been stated in Jakarta the ship's insistence to enter Indonesian waters without permit will be regarded as very provocative and having only the aim of stepping up tension.

"Our opinion is that the time has come to create an atmosphere which should be conducive to our government's adopting follow-up steps in order to enter a period of tranquility instead of continuous provocations," he added.

To the question whether he would ask Australia to stop the vessel before its arrival in East Timor, Alatas replied that "We cannot make any request because they are a sovereign nation. We know that the vessel will pass Darwin and make a call there to take up more passengers. Just wait and see. We don't know what is going to happen".

He was also asked whether the Indonesian Government was going to adopt a firm attitude, to which he responded: "Not in that sense, but we are resolved in upholding our sovereignty. We are decided in the defence of our rights to request foreign ships to abide by the national and international laws."

After Paris Alatas was to proceed to the Netherlands to have meetings with Dutch Foreign Minister Van Den Broek and Minister Pronk in The Hague then to continue his mission to Spain and Germany.

France Welcomes Clarification on Dili Incident

BK2602132392 Jakarta Radio Republik Indonesia Network in Indonesian 1200 GMT 26 Feb 92

[Text] Following his meeting with Roland Dumas, French minister of state for foreign Affairs, and Alain Vivien, French secretary of state for foreign affairs, in Paris Tuesday, Foreign Minister Ali Alatas said that the French Government's attitude towards the 12 November Dili incident is generally balanced and nonpolarized. He said the French Government did not voice any harsh concern regarding Indonesia's handling of the Dili incident.

According to Ali Alatas, France highly appreciates the clarification given by the Indonesian Government on the Dili incident and steps taken by the government to resolve the issue.

In his meeting with his French counterpart, Minister Ali Alatas also discussed cooperation between ASEAN and the European Community. Ali Alatas had expressed the ASEAN member countries' wish to renew the current pattern of cooperation between the two regional groups on the basis of more balanced and mutually advantageous principles.

Army Sacks Three Officers for Dili Actions

BK2702105992 Jakarta ANTARA in English 1032 GMT 27 Feb 92

[Text] Jakarta, Feb. 27 (OANA-ANTARA)—Chief of the Indonesian Army (TNI-AD) Gen. Edi Sudrajat announced here Thursday that three officers had been sacked from the Indonesian Armed Forces (ABRI) due to the November 12, 1991 incident in Dili, East Timor.

Three other officers will have to face other military sanction due to the incident which, according to the National Investigation Commission (KPN), killed around 50 and injured 91, he said.

Gen. Sudrajat further said two officers would no longer be included in the structural ranking of the Indonesian Army (TNI-AD) although they would remain in active duty, while another officer temporarily would not be included in the structural ranking of the TNI-AD albeit he would remain in active duty.

The six officers will have to face the sanction after undergoing a series of examination by the Military Honorary Council (DKM). The DKM was set up to conduct a comprehensive investigation on the Dili incident, Gen. Sudrajat told newsmen.

He further said that there were three types of violation conducted by the East Timor Military Command at the time of the incident.

Therefore, the military commanders there as well as the military officers committing military discipline and ethic violation should bear all the responsibilities, he said.

Aside from that, the four-star general went on, four officers, three non-commissioned officers, and one private would be court-martialed.

According to Gen. Sudrajat who accompanied by the spokesman of the Indonesian Armed Forces (ABRI), Brig. Gen. Nurhadi Purwasaputro, five officers would have to face further examination as they had been found guilty for not doing everything that they must do within their authority at the time of the incident.

The DKM, Gen. Sudrajat said, which worked from January 2 to February 20, was set up with a presidential instruction in the president's capacity as the supreme commander of the Indonesian Armed Forces on December 28, 1991.

The chief of the Indonesian Army (TNI-AD) also said that the DKM had comprehensively studied and examined the policies of the East Timor Military Command in handling the Dili incident to find the whole truth behind it.

In carrying out its task, the DKM has also used reports by the National Investigation Commission (KPN), interviewed 51 people, conducted field investigation, conducted reconstruction, and examined [words indistinct] presenting 18 witnesses.

The six examined-officers were among others former commander of the Udayana Military Command (responsible for Bali, Lesser Sunda islands, and East Timor), former chief of the East Timor Military Operational Command (Pangkolakops), former deputy of Pangkolakops, and former intelligent assistant to the Pangkolakops.

According to Gen. Sudrajat, the DKM had also reported to the president and the ABRI commander the results of its examination.

Government, UK Sign Broadcasting Service Accord

BK2402100492 Jakarta THE JAKARTA POST in English 12 Feb 92 p 3

[Text] Jakarta (JP)—A giant British firm is set to provide Indonesia with the first nationwide broadcasting service to serve its 13,000 islands. A contract, funded by a 29-million-pound soft loan from the United Kingdom, will be carried out by GEC-Marconi Communications and Jakarta-based PT Astiba Nutrasabena.

The project will give Indonesia two 24-hour-a-day national programs of education and entertainment, together with reviews of current national and world events.

Director General of Radio, Television, and Film Alex Leo Zulkarnain said during the signing of the contract Monday [10 February] that the project signified a major step forward in the nation's progress towards an integrated community with identity.

Information Cooperation Pact Signed With PRC

BK2402113592 Jakarta Radio Republik Indonesia Network in Indonesian 0700 GMT 24 Feb 92

[Text] Indonesia and the People's Republic of China [PRC] have agreed to promote bilateral relations by establishing close information cooperation, particularly in the field of radio, film, and television.

The accord on the memorandum of understanding was signed in Jakarta this morning by Information Minister Harmoko and Ai Zhisheng, PRC minister for radio, film, and television.

In his address, Minister Harmoko said among other things the signing of the cooperation accord marks the historical momentum for cooperation between the two countries in the field of radio, film, television, and information. The accord is a contribution to the world of information, especially in facing the era of information and globalization. It will also promote harmony between the peoples of the two countries.

Meanwhile, Minister Ai Zhisheng expressed his confidence that the cooperation accord will play a positive role in efforts to boost relations between the peoples of the two countries.

PRC News Agency Resumes Service After 24 Years

BK2402101292 Jakarta THE JAKARTA POST in English 12 Feb 92 p 3

[Text] Jakarta (JP)—Chinese news agency XINHUA has returned to Indonesia after a break of 24 years.

"We are still staying in a hotel and are on the lookout for a house to rent," Zhao Xin Kao told THE JAKARTA POST on Monday [10 February].

The news agency closed its office here in 1967 following the aborted communist coup and Indonesia's severing of diplomatic relations with China. The ties were restored in August 1990.

The Indonesian Government granted Zhao, the head of XINHUA's Jakarta office, a one-year visa in January. Zhao, who speaks fluent Indonesian was a senior editor at the international news department of the news agency in Beijing before his posting here. He is accompanied by his wife who is also a journalist with XINHUA's foreign desk. The couple have two grown children who live in Beijing.

Zhao's previous overseas postings included Sri Lanka, Myanmar [Burma], Thailand and India. Before his Jakarta posting Zhao had only visited Indonesia once last year during the visit of President Yang Shangkun.

Asked if he had sent news back home, Zhao said "Only a little because we are still busy finding a house."

He said he wrote his news reports in both English and Chinese, but mostly in English.

Importance, Relevance Stressed

BK2402160192 Jakarta THE JAKARTA POST in English 13 Feb 92 p 4

[Editorial: "Return of 'XINHUA'"]

[Text] One-and-a-half years after the normalization of diplomatic relations between Indonesia and the People's Republic of China, the reopening of XINHUA new agency's Jakarta bureau after an absence of 24 years, as reported by this newspaper yesterday, may not seem like very much of a news item. One could take it as a matter of course that once the political obstacles that were in the way had been cleared, relations would naturally expand beyond diplomacy and trade. The significance of the event, however, becomes apparent when one takes into consideration the fact that for both sides ensuring a regular flow of direct and relevant information between the two countries is vital. After all, based on the principle of reciprocality, the national Indonesian news agency ANTARA will naturally be granted the same rights and facilities in China as XINHUA enjoys in this country.

As a brief reminder: Diplomatic relations between Jakarta and Beijing were abruptly frozen in 1967 in the aftermath of the failed communist coup of October 1965. The Indonesians accused the Chinese People's Republic of having had a hand in the coup attempt. It is of course possible in retrospect to argue over the extent to which China could actually have played a role in sparking off that bloody episode in Indonesia's modern history. It should be remembered, however, that during those years the PRC was, by communists and other extreme leftists in this part of the world, regarded as the undisputed champion of the rural masses of the world who were striving to free themselves from the domination of the capitalist West.

It was President Sukarno's belief in a Jakarta-Beijing alliance to bring about a new and better world for what he termed the "Newly Emerging Forces" that gave the Chinese such a dominant role in the Indonesian foreign policy of that time—a role perhaps most clearly exemplified by the concept of a Jakarta-Hanoi-Beijing axis of "progressive" revolutionary forces in Asia. That world, as we of course know, collapsed with the failure of the communist coup of Sept. 30, 1965. In some of the most dramatic historic turnabouts the world has ever seen, a new world arose in Indonesia on the ruins of the old.

So dramatic have been the changes that have taken place in the past quarter of a century since the abortive communist coup that it is safe to say that not a trace is left of the old and collapsed revolutionary world of the Old Order. Needless to say major, if less exposed changes have also occurred in China. For both Indonesia and China, there is no escaping the need of recognizing the emergence of a new and totally new world order and of contemplating what the consequences could be for the region.

In the wake of the fall of the Soviet empire in Europe there are those who regard China as the only big communist power remaining in the world. Yet, as analysts have pointed out, the fundamental changes that have been taking place even in China make it questionable whether one can still speak of world communism in the old sense of a pure ideology based on either Marxism or Maoism. What is more, many observers and analysts expect that still more fundamental changes are afoot in China once the present no-longer-young leadership comes to an end.

Obviously, Indonesia has a vital interest in keeping abreast of developments in China. The reopening of the XINHUA bureau office in Jakarta—or rather, the reopening of an ANTARA bureau in Beijing which the report obviously implies—is only a step toward serving that interest. As we have pointed out on an earlier occasion, Indonesia's strategic needs require that it prepare an adequate number of experts on China to keep informed of that country's developments in fields ranging from politics to industrial growth and social change.

Sutrisno Approves Mass Rally by Islamic Group

BK2202154592 Jakarta Radio Republik Indonesia Network in Indonesian 1500 GMT 22 Feb 92

[Text] Armed Forces Commander General Try Sutrisno says the Indonesian Armed Forces has no objection to the Nahdlatul Ulema's plan to hold a mass rally to be attended by about two million people as long as it is held in an orderly and safe manner. As such, a special security plan is not needed. There will be no security problem as long as all groups concerned exercise self-restraint.

The Armed Forces commander made the remarks when he spoke to reporters after he signed a cooperation agreement in education matters with the education and culture minister in Jakarta today. Gen. Sutrisno added that thorough preparations are needed for holding a mass rally to be attended by two million people so members of the public may feel safe and secure. He also called on the organizing committee to pay attention to the advice given by all sides, including the Indonesian Armed Forces and the home affairs minister. They should also obtain a permit from the police.

Two Aceh Rebels Sentenced To Jail Terms

BK2602074692 Jakarta ANTARA in English 0343 GMT 26 Feb 92

[Text] Banda Aceh (Northern Sumatra), Feb 26 (OANA-ANTARA)—Two members of Aceh Trouble Makers Group (GPK)—Imran Hasan (31) and Hasbi Abdullah (30)—were Tuesday sentenced to seven and five years in jail respectively as they were found guilty of disrupting national security by local court.

An Aceh regional court's judge team, headed by Baginda Hasibuan SH [Master of Law], said in its verdict that Imran Hasan, a small restaurant owner in Banda Aceh had provided a place for the GPK's secret meetings since May 1989.

Hasbi Abdullah was proven to be guilty of harbouring three members of GPK from abroad and brought them to a number of meetings with the outlawed organization in this province.

Philippines

Vo Van Kiet Arrives for Visit, Meets Officials

Visit, Agreements Previewed

HK2402100892 Manila DZXL Radio Mindanao Network in Tagalog 0700 GMT 24 Feb 92

[Text] Vietnamese Prime Minister Vo Van Kiet is scheduled to arrive in the Philippines this Tuesday to hold bilateral talks with President Corazon Aquino. During his visit, he is expected to sign three agreements, they are: the establishment of the Joint Commission on Economic Cooperation and the Joint Commission on Trade; the agreement for the promotion and protection of Vietnamese investments in the Philippines and vice versa; and lastly, a shipping agreement, which is still under negotiations.

Ambassador Romualdo Ong said that the Philippines, in furthering its ties with Vietnam, stands to reap a number of benefits, citing Vietnam's immense raw material resources like forest reserves, rattan, and rice.

It is also expected that joint ventures between the two countries, especially in the field of automotive manufacturing, will be enhanced during the visit.

He also said that talks between President Aquino and Prime Minister Vo Van Kiet will also dwell on the subject of regional security, especially on the Spratly Islands issue, which is now coveted by several Southeast Asian countries.

Kiet's visit is in line with the Treaty of Amity and Cooperation, which was recently ratified during the ASEAN summit in Singapore, and with Vietnam's desire to join ASEAN.

Arrives 26 Feb

HK2702005192 Manila DWIZ Voice of the Filipino People's Radio in Tagalog 2200 GMT 26 Feb 92

[Text] The Philippine Government accorded full military honors to Vietnamese Prime Minister Vo Van Kiet when he arrived at Malacanang's new executive building. He was given a 19-gun salute in honor of his visit. President Aquino and the prime minister are expected to discuss disputes among some Asian countries over the Spratly Islands. The two leaders are also expected to discuss Vietnam's formal entry into ASEAN.

President Aquino and Prime Minister Kiet will sign three accords this morning at Malacanang. These include setting up of commissions on economic cooperation and trade and promotions, investment protection, and shipping. Kiet is expected to reiterate his country's wish to join ASEAN and sign its Treaty of Friendship and Cooperation.

The Philippines and Vietnam established diplomatic ties in 1976.

Reiterates Desire To Join ASEAN

HK2602130392 Hong Kong AFP in English 1229 GMT 26 Feb 92

[Text] Manila, Feb 26 (AFP)—Vietnamese Prime Minister Vo Van Kiet reiterated his country's desire to accede to the regional Treaty of Amity and Cooperation here Wednesday, hours after arriving in the Philippines for a three-day visit.

Philippine President Corazon Aquino hailed Vietnam's actions to promote peace in Southeast Asia, saying "we welcome your policy of friendship and cooperation with all countries."

The leaders' statements came at a state dinner, where Kiet said Vietnam was pursuing an open foreign policy.

Vietnam, he said, was "willing to accede to the Bali Treaty of Amity and Cooperation and take part in dialogues with other countries in the region."

The treaty is the founding charter of the Association of Southeast Asian Nations (ASEAN), which groups the Philippines, Thailand, Malaysia, Indonesia, Singapore and Brunei.

Aquino in turn expressed her appreciation for Vietnam's role in "seeking a durable political solution to the Cambodian problem," adding that this would "bring greater stability to the region."

"We welcome your policy of friendship and cooperation with all countries," she told Kiet in her ceremonial toast.

Aquino said ASEAN was committed to making the region a "zone of peace, freedom and neutrality." This would be achieved, she said, "always in consultation with friendly countries, taking into account changing circumstances in the region."

Although ASEAN has called for a neutral zone in the region, most of its member countries maintain military alliances and have often cited Vietnam's invasion of Cambodia and its military ties to the former Soviet Union as reasons for them.

Aquino is due to meet with Kiet again on Thursday. Government spokesmen said earlier they may discuss the issue of the Spratlys, a small island chain in the South China Sea which is partially or wholly claimed by the Philippines, Vietnam, Brunei, China, Taiwan and Malaysia.

China passed a law Tuesday claiming its sovereignty over the islands.

(Meanwhile, in Vietnam, the Communist Party daily NHAN DAN said Kiet's visit to the Philippines would help build a new Southeast Asia and strengthen cooperation between Hanoi and its non-communist neighbors.

("Our people's hope is to build peace, security, friendship and development with the people of ASEAN," Nhan Dan wrote in an editorial.)

Before leaving the Philippines, Kiet is due to sign three agreements on trade, investment and shipping.

Next President To Face Effects of U.S. Aid Cut

HK2702091692 Manila DZXL Radio Mindanao Network in Tagalog 0700 GMT 27 Feb 92

[By Rowena Papasin]

[Text] It is up to the next administration to find other remedies for programs which will be affected by the United States' aid cut to the Philippines. This is President Aquino's response to reports that the United States has reduced its financial assistance to the Philippines from $350 million to $190 million. President Aquino said the effect of this reduction in aid will only take its toll in 1993, when her term is already over. Although she asserted that her administration will try to lighten the impact of this aid cut, the chief executive stressed that the decision on what has to be done for the programs affected by the cut lies on the next administration:

[Begin Press Secretary Horacio Paredes recording] The effect of the cut in U.S. assistance will be felt in 1993. Thus, while we will try to mitigate this cut, the decision on what to do with existing programs heavily dependent on U.S. aid will be left to the next administration. [end recording]

That was President Aquino's statement as read by Press Secretary Horacio Paredes.

Meanwhile, Paredes said that part of the measures to be taken up by the Aquino administration is to have its embassy in Washington lobby for a smaller reduction of aid in the U.S. Congress while the deliberation on the U.S. budget is taking place.

Mitra Airs 'Uncertainty' on Barnes Resolution

HK2602021892 Manila DWIZ Voice of the Filipino People's Radio in Tagalog 2200 GMT 25 Feb 92

[Text] Presidential candidate Ramon Mitra Jr. has confirmed there is uncertainty over the resolution of the kidnapping of U.S. businessman Michael Barnes. Mitra said that all the rebel units which he had spoken to have no involvement in the Barnes abduction. In view of this, Mitra believes that the rebels did not kidnap Barnes. Mitra stressed that none of the New People's Army units which he has contacted could give information on Barnes.

Military, Government React to Amnesty Report

HK2702090092 Manila PHILIPPINES NEWSDAY in English 27 Feb 92 pp 1, 2

[By Arthur Bariuad, Dionisio Tubianosa & Dario B. Agnote]

[Text] Amnesty International (AI), a London-based human rights watchdog, yesterday called on the Aquino government to halt the grand military offensive against the New People's Army (NPA) in Surigao to prevent a "vicious circle of attack and counter-attack" between government troops and the communist insurgents.

Reacting to the AI report that atrocities on unarmed civilians had been committed by the Armed Forces of the Philippines, President Aquino said she was prepared to issue appropriate directives to correct human rights violations—perceived or real—after the Commission on Human Rights, chaired by Mary Concepcion Bautista, shall have submitted to her a report on the AI findings.

Meanwhile, the Armed Forces high command deplored the AI report, saying it was too general and too sensational.

"We are alarmed by press reports of military calls for vengeance after the Surigao incident," the worldwide human rights movement said yesterday in a news conference at the Philippine Plaza. "At moments like this, it is vital for those in command of the Armed Forces to exercise moral leadership—to act decisively to prevent a vicious circle of attack and counter-attack."

AI spokeswoman Ligia Bolivar, member of the AI executive committee, stressed that "if governments and their agents show contempt for human rights and fail to respect basic standards, others may feel free to do likewise."

The AI, likewise, urged the NPA to end the "arbitrary and deliberate killings of civilians," and the "ill-treatment or torture of captives."

"Our report documents the cases of abuses allegedly committed by the NPA. We would like to make a public appeal to the NPA. It is this: No more arbitrary and deliberate killing of civilians; no more ill-treatment or torture of captives," Bolivar said. "These acts are inexcusable. But, by the same token, they can never be an excuse for human rights violations by government forces."

Armed Forces chief of staff General Lisandro Abadia last week ordered a big offensive against NPA rebels after the communist insurgents killed 41 army troops in an ambush in Marihatag, Surigao del Sur. Military authorities also said more armaments and troops would be airlifted to Surigao to seek vengeance for the victims of the carnage.

The Philippine Human Rights report, which was released yesterday, said human rights violations in the country since 1988 had reached a "grave level" which was primarily traced due to [as published] the lack of political will of Mrs Aquino to replace [as published] the treaties it signed with international organizations.

While noting that the Aquino government "promised to respect important international human rights treaties [no closing quotation marks as published], "human rights initiatives have been hampered by an evident lack of commitment to implement them properly," the report titled "The Killing Goes On" said.

"A similar lack of resolve has been evident in implementing human rights initiatives within the Armed Forces," the report added.

According to the AI delegation, they did not come here "to interfere with your country's elections."

"We do not support or oppose any political party or candidate," Bolivar said. "We do care about how governments use the power of the state: Do they use that power to protect human rights of their people or do they allow state powers to be abused?"

The report said since 1988, 550 people had been brutally killed by government forces.

"The socially disadvantaged groups figured prominently in the killings," Bolivar said.

Mrs. Aquino said the AI's acknowledgement "that my administration has restored institutional democracy... introduced institutional safeguards to protect human rights and repealed most of the repressive decrees and laws promulgated during the rule of President Marcos" was a recognition that "my administration has stood behind the policy of protecting human rights in our country."

"The alleged human rights violations are being investigated by the Commission on Human Rights [CHR], an independent constitutional body created under my administration to pursue our policy of protecting human rights in the country. I will be awaiting the report of the CHR on the findings of the Amnesty International and will issue the appropriate directives to correct human rights violations—perceived or real," Mrs. Aquino said in a statement to Malacanang reporters.

Abadia 'Severely' Critical

HK2602130592 Manila Manila Broadcasting Company DZRH in Tagalog 1100 GMT 26 Feb 92

[By Rodney Jaleco—italicized passages in English]

[Text] General Lisandro Abadia, Armed Forces of the Philippines [AFP] chief of staff, severely criticized Amnesty International [AI], a London-based human rights group, after it accused the military of continuously violating human rights in the Philippines.

Abadia said that he sees *an orchestrated and coordinated campaign* geared towards softening the effects of the ambush in Surigao del Sur, where several government troopers were tortured and killed after they surrendered to communist rebels.

According to AI, more than 550 people were killed at the hands of the military since 1988 for political reasons. Most of the human rights violations occurred during the AFP's campaign against the New People's Army and Moro National Liberation Front.

For Abadia, AI's revelation is tainted with malice because it only focuses on the military, despite the fact that the rebels have carried out more human rights violations than the AFP.

Brigadier General Emiliano Templo, AFP deputy chief for civil and military operations, said that even the Catholic Bishops Conference of the Philippines has reported that the human rights situation in the country has improved under the Aquino administration. He added that compared to the Marcos regime, the number of human rights violations being perpetrated by the military has decreased during the Aquino administration.

Aquino Ready To 'Rectify' Violations

HK2602120092 Quezon City Radyo ng Bayan in Tagalog 1000 GMT 26 Feb 92

[Text] President Corazon Aquino said today that she is ready to issue the appropriate directives that will rectify the human rights violations which occurred in the country in the past year. Here is Tanny Rodriguez with the details:

[Begin Rodriguez recording] The president made this statement following a study conducted by London-based Amnesty International [AI] which believes that an estimated 550 people were killed without due process of law. This includes the deaths of 85 people which are believed to be political in nature.

She said that she was still waiting for the Commission on Human Rights' [CHR] report on the AI study.

She said that investigations on human rights violations fall under CHR jurisdiction, an independent constitutional body created by her under her administration to further the government's policy on upholding human rights. [end recording]

Mutual Code of War Rejected

HK2602091092 Manila BUSINESS WORLD in English 26 Feb 92 p 12

[By Ramoncito P. De La Cruz]

[Text] The military high command rejected yesterday the proposal of the National Democratic Front [NDF] to jointly draft a mutual Code of War Conduct to prevent future incidents of human rights violations during combats.

In an interview during a military parade inside Camp Aguinaldo, Armed Forces of the Philippines (AFP) chief of staff Lisandro Abadia argued that the local communists do not really respect people's human rights, saying "they have been killing our people... terrorizing our people... and engaging in kidnap-for-ransom activities. They've been doing a lot of things that are violative of human rights."

He further said that the recent pronouncement of the communist movement that they will conduct an investigation on the atrocities initiated by rebels against wounded soldiers during the Marihatag ambush in Surigao last February 15 is just a ploy "to save face."

"If you will recall, in the Digos massacre, they have never castigated the perpetrators of that massacre... I think it's going to be a lot of whitewash... It's just propaganda," he said.

The Digos incident, reportedly perpetrated by a local band of the New People's Army, led to the massacre of 37 persons, mostly anti-communist religious cultists, in Digos, Davao del Sur on June 25, 1989.

Deputy chief of staff for civil-military operations (J-7) Brig. Gen. Emiliano Templo, in a separate interview, stressed that "if the intention (of the NDF) is to sincerely look into the human rights violation, then we welcome the development. However, if it is just a mere ploy to further their quest for belligerency status, then I believe that this is just going to be propaganda."

He added there is no need for a mutual Code of War Conduct, since the AFP, together with the Philippine National Police, adopt and adhere to international laws on human rights.

"We cannot, under any circumstance, come out with a joint code of conduct with the CPP [Communist Party of the Philippines]/NPA [New Peoples' Army]/NDF, unless of course, they renounce the use of violence in attaining their political objectives," he further said.

At the same time, deputy chief of staff for operations (J-3) Brig. Gen. Regino Lacson maintained that the military has already "poured in additional troops and helicopters" for the "search-and-destroy" operations against the NPA armed cadres.

However, he stressed that the current operational thrusts on their counter-insurgency campaign still rely heavily on civil-military operations, military operations and intelligence networking, the major points of the Lambat-Bitag II [Operation Net Trap II] campaign.

Preparations To Accord 'Honors' to Marcos Corpse

HK2702085792 Quezon City DWDD Defense Department Radio in Tagalog 0400 GMT 27 Feb 92

[Text] President Aquino has asked for full details to ensure an orderly burial for the corpse of former President Marcos in Laoag City so that it can be accorded the appropriate honors. The president said Malacanang is still awaiting former First Lady Imelda Marcos' formal reply to this request. She said Executive Secretary Franklin Drilon is awaiting formal communication from Mrs. Marcos that she truly intends to take Marcos' corpse to Laoag for burial. The president added that as soon as the formal communication is received, she will order Drilon to speak to Mrs. Marcos and make the necessary arrangements to ensure that the appropriate honors are accorded to the former president.

Soldiers, Police Suspected NPA Arms Suppliers

HK2602081592 Manila PHILIPPINE DAILY INQUIRER in English 26 Feb 92 p 13

[By Dave Veridiano]

[Text] The investigating arm of the Philippine National Police [PNP] is closely monitoring a notorious group of gunrunners composed of soldiers and policemen who could have supplied the weapons used by communist guerillas in the bloody ambush of government troops in Surigao del Sur last Feb 15.

Two of the gang members have already been arrested and are now undergoing tactical interrogation in connection with the reported selling of high-powered firearms to the New People's Army [NPA] guerillas operating in Southern Mindanao.

The NPA rebels, using grenade launchers and recoilless rifles, ambushed and killed at least 47 Army soldiers and members of the Civilian Armed Force Geographical Unit in Marihatag town. About 25 others were also reported wounded in the firefight.

Military and police officials were unanimous in saying that the incident was one of the biggest defeats suffered by the military in a single battle since the beginning of the 22-year insurgency movement.

Documents obtained from AFP [Armed Forces of the Philippines] and PNP sources earlier confirmed the existence of a gang of police and military personnel which had been selling firearms to communist guerillas, particularly in Northern Mindanao.

The firearms that eventually found their way to the rebels either came from the various AFP and PNP armories or renegade soldiers and policemen, the sources said.

In a memorandum addressed to PNP Director General Cesar Nazareno, Superintendent Lucas Managuelod, chief of the Criminal Investigation Service Command, tagged a certain Cucayne and one Patao as members of a well-organized syndicate involved in illegal arms sale.

Managuelod said the PNP Regional Command 10 is currently investigating the two.

The military earlier arrested MSgt [Master Sergeant] Rolando Sumpres and Sgt. Edwin Navarro, former AFP supply officers now assigned with the 29th Infantry Battalion in Surigao del Sur, on suspicion that they took part in a series of assorted arms sales to communist insurgents in the South. The trading was estimated to be worth P8 million [Philippine pesos].

Reports also disclosed that a communist leader had claimed that Cucayne sold him 16 pieces of M-16 rifles worth P15,000 each while Patao sold him 700 rounds of caliber 30 M1 Garand bullets at P7 each.

The communist leader, identified as Pasco, used to be the procurement officer of the CPP-NPA Northern Mindanao Regional Committee. Pasco and three other rebel leaders were captured by Army intelligence agents in Cagayan de Oro City a week before the Marihatag ambush.

Because of the Surigao massacre, Armed Forces Chief of Staff Gen. Lisandro Abadia vowed to exact vengeance for the brutalities committed by the rebels.

The teenage rebels reportedly gouged the eyes of five officers, beheaded five other soldiers, and cut off the ears of a few others who surrendered after the initial firefight which lasted about six hours.

Communist Rebel Reveals Arms Sales

HK2702080692 Manila PHILIPPINE DAILY INQUIRER in English 27 Feb 92 pp 1, 12

[By Cynthia De Leon]

[Text] Cagayan de Oro City—Corrupt soldiers have sold millions of pesos worth of war materiel—from combat boots and gasoline to grenades and M16 rifles—to communist insurgents in Mindanao, a captured procurement officer of the New People's Army [NPA] told the INQUIRER in an exclusive interview Monday.

Victor Pasco of the communist Northern Mindanao Regional Party Committee (NMRPC) said he used at least P8 million [Philippine pesos] from "revolutionary taxes" rebels had collected from illegal loggers and multinational firms to buy military hardware from 1986 to November 1991.

The war materiels were distributed to various guerilla units in Northern Mindanao, he said.

Independent sources said the sale of military hardware by soldiers and police has been going on since the late 1970s.

Carrying a P70,000 reward on his head, Pasco was captured last Jan. 8 and is now detained at Camp Evangelista, home of the Army's 4th Infantry Division.

Pasco said he was sure Army bullets killed the 40 soldiers and militiamen in the Feb. 15 ambush in Marihatag, Surigao del Sur.

He named two Army supply sergeants at the 4th Infantry Division as his direct suppliers of ammunition.

He also said he bought high-powered firearms from the Moro National Liberation Front, [MNLF] but did not identify his MNLF suppliers.

Other witnesses have implicated an Army lieutenant colonel, a former deputy regional commander of the defunct Constabulary, and "prominent" civilians in the massive arms and ammunition sale, said Senior Inspector Eleterio Amora of the Cagayan de Oro police station.

Last June, Brig. General Quintin Alcudia, commander of the 4th Infantry Division [4ID], launched a crackdown on the "resources leak" with the arrest of Lt. Col. Virgilio Ramos, then 4ID supply officer, suspected of selling to NPA guerillas more than 52,000 liters of gasoline and diesel worth almost P800,000.

In Bukidnon, 49 widows of soldiers slain in battle demanded the "harshest and most severe punishment" for those who sell war materiel to the enemy, calling it "one of the highest forms of treason."

P8M in 6 Years

Pasco, who called himself a "gunrunner," admitted buying at least P8 million worth of war materiel from 1986 to November 1991.

He said he bought about P1.7 million worth of high-powered firearms, including French, Belgian, and Israeli assault rifles from the MNLF through Maranao "middlemen" in Marawi City. The most expensive was a P300,000 Galil rifle; the cheapest at P5,000 each were 14 homemade M79 grenade launchers.

Pasco said he also bought in November 1990 from one Sgt. Samson Cucayne six M16 rifles at P16,000 each. Cucayne allegedly said the rifles belonged to his superior, then a deputy regional commander.

A 4ID sergeant sold him two spare barrels for M60 light machine gun at P12,000 each, Pasco said.

The ammunition and explosives he bought from soldiers included 2,000 kilos of TNT, 3,000 rifle grenades, 50 hand grenades, mortars, and innumerable rounds of ammunition for M16, M14, and Garand rifles.

Pasco recalled buying P1.5 million worth of ammunition in four months. He said he paid P200 per kilo of TNT, P1,000 for each mortar round, P300 for a rifle grenade, P20 for a hand grenade, and P3 for an M16 bullet. He said he bought imported bullets from the local gunstores.

Besides military hardware, Pasco also said he bought from the Army and police personnel more than 400 pairs of combat shoes at P500-300 per pair, 300 backpacks at P180 each, and a dozen U.S. fatigue uniforms at P1,000 per set.

He also bought from local electronic shops and businessmen at least 100 sets of hand-held ICOM radios at P4,000-7,000 each, and a Kenwood radio base at P38,000.

He said the money for his purchases came from the NPA's revolutionary tax. It was handed to him personally by one Zenaida Llesis whom he identified as the NMRPC finance officer, and by a certain Marlyn Cabrera alias Malyn, the NMRPC liaison officer.

Llesis also got the war materiel from him, he said. "She calls me by radio first before she picks up the goods, usually at the MPHD (Mindanao Partnership for Human Development) office. It used to be in Cogon, now the office is in Dongallo Compound in Camaman-an," Pasco said.

Quinciano Mabale, former commander of the Bukidnon provincial guerrilla unit, said in a sworn statement after he surrendered last Jan. 12 that Llesis personally delivered his unit's monthly budget of not less than P20,000.

Llesis was arrested Feb. 10 by local policemen, but she refused to give any information, including her name, Senior Inspector Amora said.

How Orders Are Delivered

Pasco said transactions were usually carried out through middlemen whom he selected from among the "drunkards and standbys" in beer gardens in the city.

The goods were delivered wherever he was residing at the time. He said he changed addresses six times in three years to avoid detection.

At other times, the transaction was consummated at a pre-designated place with almost round-the-clock pedestrian traffic such as the street fronting the city hospital, or an auto repair shop along the Iponan highway, or a gasoline station.

"The ammo is packed in a milk carton box. It is only 1,000 rounds. Sometimes it's contained in the original ammo box," Pasco said.

Skimming Allocations

The sale of war materiel by military and police personnel has been going on since the late 1970s, said Federico Gapuz, a human rights lawyer and counsel of Lieutenant Colonel Ramos.

"No ammo or firearms gets sold without the cooperation of supply accountable officers (SAO) on the division, battalion, and company level. It's a syndicate involving key officials and civilian employes in the logistics and service battalions," Gapuz said, claiming he learned of the "practice" from previous military and police clients.

SAOs sell ammunition "saved" from operations, or stolen outright, from their units' allocation, Gapuz said.

"In their after-battle report, they inflate ten, a hundred times, the number of bullets actually expended, then sell the difference," he said.

Gapuz cited the police's after-battle report on the January 1990 encounter in Agusan del Sur where the Bayugan mayor was killed. "The police reported 1,200 bullets expended, but when I cross-examined him in court he admitted that he fired only 50 rounds," he said.

In a sworn statement subscribed Feb. 11 before the city clerk of court, Pasco named T/Sgt Edwin Nacareo and M/Sgt. Orlando Sanches as his main suppliers.

He told the INQUIRER that Nacareo supplied him with rifle bullets, while Sanches sold explosives and mortar rounds.

Nacareo and Sanches were then the supply officers of the 29th Infantry Battalion in Surigao del Sur and the Division Training Unit in Camp Evangelista, respectively.

Gapuz confirmed that "Nacareo is a supplier of the Left."

"He is one of the key figures in the syndicate since Marcos' time yet. [sentence as published] His network covers the Lanao provinces, Misamis Occidental, the whole of Region 10 up to Surigao," Gapuz said.

He also said Sanches had always been mentioned by his fishermen-clients accused of dynamite fishing.

The two supply officers reportedly implicated several others, including two officers and six enlisted men.

Pasco said Sanches told him once that he shared the proceeds with two other persons, but did not identify them.

Besides naming the former PC [Philippine Constabulary] deputy regional director who allegedly owned the six Armalites he bought in November 1990, Pasco quoted Nacareo as telling him, "Prepare your money because Ramos is here and he deals fast."

Pasco said he "inherited" Nacareo and Sanches from his predecessors, one of them a certain "Gogoy," the NPA procurement officer for the entire Mindanao. He said Gogoy was captured in 1989 but later escaped and has since been operating under disguise in Bukidnon.

Actions and Reactions

Alcudia put Nacareo and Sanches in the stockade four days after Pasco's arrest. The division commander, however, refused to divulge any information about them to the press.

Nacareo tried to hang himself with a telephone wire, one Colonel Referente of the military police said, citing accounts by other detainees.

Ophelia Nacareo, a civilian finance clerk in 4ID and mother of five, denied her husband sold war materiel.

She told the INQUIRER their combined monthly salary of almost P9,000 is supplemented with income from "5-6" lending operations and the sale of barter trade goods.

She said Nacareo accumulated capital during his two-year stint in the goldmines of Mount Diwalwal in Surigao del Sur.

She took exception to "wild stories" circulating inside camp about their alleged "unexplained wealth" and "extravagant lifestyle."

For the past 14 years, she said, they have been living in a two-story house in her father's compound.

Lieutennt Colonel Ramos, who has been in the stockade since last June 19, is undergoing military trial for violation of Articles of War 95 (embezzelement) and 95 [figures as published] (conduct unbecoming of an officer and a gentleman).

Thailand

Suchinda Denies Army Controls Political Parties

BK2702013992 Bangkok BANGKOK POST in English 27 Feb 92 p 3

[Text] Army chief Gen Suchinda Khraprayun has denied the Army had taken over one or all the three key political parties expected to form the core of the next governemnt.

He also denied Tuesday [25 February] that any senior military officers were involved with the Chat Thai, Samakkhi Tham or Social Action Parties [SAP].

A Democrat Party candidate alleged on the same day that Air Force chief Air Chief Marshal Kaset Rotchananin had helped set up the Samakkhi Tham Party so it could form the core of the next government.

And many other observers believe the Army has taken over the three major parties through key appointments.

"The Army is not involved nor has it taken over any of these parties," he told the BANGKOK POST, then admitted he did not know what to do to clarify the perception that the Army was involved with the Chat Thai, Samakkhi Tham and Social Action parties.

He said Air Chief Marshal [ACM] Sombun Rahong had been with Chat Thai since he was an aide to Maj-Gen Praman Adireksan.

"He has been with the Chat Thai Party all along. He was made Airport Authority of Thailand [AAT] governor because of Chat Thai," the Supreme Commander said.

Air Force chief ACM Praphan Thupatemi wanted Samroeng Koetkaeo to become AAT governor at the time, "but Somboon, who was Praphan's subordinate, managed to edge Samroeng out and get himself appointed governor.

"Just imagine how good he is," Gen Suchinda said.

Gen Suchinda said Samakhi Tham member Sqn Ldr Thiti Nakhonthap had also been involved in politics for a long time, adding that he was acquainted with Sqn Ldr Thiti as well as his father.

He also admitted that the SAP's new secretary-general, Lt-Gen Khasem Kraisant, was a "friend since their Amnuaisin days".

"We studied together. We played and kicked around with each other. He sat for the entrance exam (for the military academy) before I did as I was not interested in joining the academy.

"His house was behind the Ratchadamnoen Boxing Stadium. When I started at the academy, I did not like wearing the uniform, so I used to go to his house to take it off.

"Then I got to know his parents well. His uncle was also an air force officer. We have been close since then," he said.

Gen Suchinda said he and Lt-Gen Khasem went their separate ways for many years and only met again when Gen Chawalit Yonchaiyut was army chef. Lt-Gen Khasem later served as an aide to Gen Suchinda.

The army chief said Lt-Gen Khasem approached him before the previous election to tender his resignation, saying he wanted to run in Ayutthaya Province, but was asked to hold off.

"About six to seven months ago, he told me the SAP had approached him to be secretary-general. I asked him how he could trust politicians, but he remained silent.

"Then he came back and asked permission to run in the elections because he was due to retire soon. I never imagined the repercussions of his becoming secretary-general of that party.

"I let him go. How could I block his chances of becoming a minister? Now people are saying that I sent Lt-Gen Khasem into the SAP," he said.

Air Force Chief Views Government Performance

BK2702012192 Bangkok THE NATION in English 27 Feb 92 p 3

[Text] The National Peace Keeping Council [NPKC] is dissatisfied with the performance of the Government on certain issues where it did not toe the council's line Air Force Commander in Chief ACM [Air Chief Marshal] Kaset Rotchananin announced yesterday.

ACM Kaset said before departing for Malaysia that the NPKC had made recommendations and suggestions all along which were beneficial to the country.

"When the Government refused to obey, we did not know what to do," said the NPKC deputy chairman.

"Only the NPKC chairman Gen Sunthon Khongsomphong could dismiss the Prime Minister Anan Panyarachun but he didn't do this on the grounds that it was not appropriate."

ACM Kaset said it was natural for an interim government to err sometimes in the course of its work.

"We should be sympathetic to the Government too."

He said the NPKC had been trying to have its recommendations acted upon, but there had been conflicting views with the Government on some issues in particular certain bills.

"Sometimes we were not happy, but we had to accept the Government's explanation. We tried to let the Government perform its duty smoothly."

ACM Kaset refused to comment on the Government's performance over the past one year "because the Government was appointed by the NPKC".

"Anyway, we have to be satisfied. Regarding the question that the Government has failed to respond to the NPKC's wishes, it is useless discussing it now because the Government's term will expire soon.

"Let's wait for the new government, then I will be able to speak openly how I feel as a private citizen."

On a possible corruption probe into Air Force officers, the Air Force chief said the Counter Corruption Commission law clearly stated which ranking officers were required to declare their assets before assuming their position and after leaving the service.

He said he had already declared his assets, but declined to give any details.

ACM Kaset then said only serving NPKC officers were involved in politics, and he had instructed all others not to get involved in the election.

Air Force Proposes Purchase of Trainer Jets

BK2702004992 Bangkok THE NATION in English 27 Feb 92 p B1

[Excerpt] The Royal Thai Air Force [RTAF] has sought a new budget of Bt5.3 billion from the government to buy a fleet of 50 advanced jet trainer aircraft soon after being knocked back on a request for an even larger sum to buy 38 jet fighters.

The surprise announcement, which needs Cabinet approval, coincided with unexpected criticism of the Anan caretaker government by air force chief Kaset Rotchananin.

Senior air force officers—reportedly still angry at the government's rejection of its earlier proposal to buy 38 AMX jet fighters for Bt19 billion—now want to buy L39 advanced jet trainers, Deputy Defence Minister Wimon Wongwanit said yesterday.

The new proposal was in accordance with a plan to replace ageing aircraft under a five-year budgetary commitment set down by the RTAF.

Among the current fleet of trainer aircraft are the older T-37s, some of which have been involved in crashes.

The RTAF already has acquired a fleet of Pilatus advanced turboprop trainers during the past few years.

It is believed the L39 advanced jet trainer aircraft would be supplied by Czechoslovakia and, when armed, could be used in a close air support role.

Wimon gave no explanation for the air force considering the L39 as a suitable jet trainer, although pilots trained on the jets can graduate to F-5 and F-16 fighters which are in service with the RTAF.

Wimon said the proposal had been approve by the junta-appointed scrutiny committee on security affairs. But committee chairman Pol Gen Pow Sarasin a deputy prime minister, said the proposal still needed Cabinet approval.

He said that under conditions for defence spending set by the Council of Economic Ministers, the budget for arms procurement for each branch of the services must not be exceeded.

The proposed purchase exceeded the limit and therefore must be discussed by the economic ministers.

Previously, the RTAF had not shown any interest in buying L39 aircraft. In January 1990, it sent a team to inspect MB-339C aircraft made by Aermacchi of Italy, which also manufactures the AMX jet fighters.

At that time it wanted to buy the MB-339C, an advanced jet trainer with Rolls Royce engines similar to the AMX.

The proposal to buy the AMX aircraft was withdrawn earlier this month due to a lack of funds. It would have required the air force to make a 10-year budgetary commitment.

The withdrawal was considered by some observers as a face-saving move as the purchase plan had met strong opposition.

The caretaker government has rejected huge arms purchase plans put forward by the military, particularly the air force. [passage omitted]

Laos' Khamtai Okays Siam Cement's Project

BK2402015792 Bangkok BANGKOK POST in English 24 Feb 92 p 17

[Text] Laotian Prime Minister Khamtai Siphandon has agreed in principle to allow the Siam Cement Group (SCG) to undertake a pulp and paper industry project in Laos, SCG president Paron Itsarasena said at the weekend.

The agreement came after a presentation on SCG's cement and steel activities made to Gen Khamtai during his visit to the firm's head office in Bang Sue and cement and steel plants in Saraburi.

During the presentation, Mr Paron told Gen Khamtai of his firm's plan to invest in the pulp and paper project in Laos and pledged to take care of the environment and adhere to the law.

The pulp and paper industry had long been seen as one which caused harmful pollution, but Mr Paron said the SCG would be serious about environmental protection if it was allowed to build the pulp and paper mill there.

Gen Khamtai agreed in principle to allow the SCG to undertake the project.

Mr Paron said a feasibility study on the project had not yet been undertaken but regular contact with Laotian officials was underway.

The SCG was interested in a pulp and paper project in Laos because the country had a plentiful supply of quality bamboo forest. At least 100,000 rai of forest was required before a project could be viable, Mr Paron said.

The SCG could relocate its pulp and paper mills to Laos if Thailand's reforestation policy remained unchanged.

It was not feasible to transport wood from Laos, so the firm needed to build its pulp and paper mills where the raw materials were producted.

Mr Paron said SCG's latest 1,950-million-baht pulp and paper mill in Kanchanaburi had recently started operaions with its supply of bamboo coming form Burma.

The firm's pulp output this year was expected to be about 300,000 tons, of which 200,000 tons would be from SCG subsidiary Siam Pulp and Paper Co and the remainder from the Phoenix Pulp and Paper Co.

Mr Paron hailed the decision to implement the ASEAN Free Trade Area (AFTA) but warned the Thai forest industry would be in an inferior position if private sector firms were not allowed to plant trees to cut their production costs.

Thai industries were exploring ways to compete with other ASEAN countries when the AFTA came into force next year.

"SCG is ready to compete with other rivals, even in terms of regional or global competition, due to its management and operational efficiencies," he said.

SCG had adopted a Total Quality Management system, which was the most modern management which had been in use for 6-7 years.

Vietnam

Premier Vo Van Kiet Arrives in Manila for Visit

BK2602154592 Hanoi VNA in English 1524 GMT 26 Feb 92

[Text] Hanoi VNA Feb.26—Premier Vo Van Kiet and his party arrived in Manila this afternoon on an official visit to the Philippines as guest of President Corazon Aquino.

They were greeted at the airport by Foreign Minister Raul Manglapus, and Minister of Agriculture Senen Bacani .

This is the second high-level Vietnamese delegation to visit the Philippines since the two countries set up diplomatic ties in August 1975. The first visit was paid by the then premier Phan Van Dong in September 1978, which opened up a new stage of development in the bilateral relations with the signing of a trade agreement and an agreement on economic and technological cooperation.

Speaks at Banquet With Aquino

BK2702071592 Hanoi VNA in English 0656 GMT 27 Feb 92

[Quotation marks as received]

[Text] Hanoi VNA Feb. 27—The Philippines welcomes Vietnam's policy of friendship and cooperation between the two countries, said President Corazon Aquino at the banquet she gave in honour of Premier Vo Van Kiet and his party in Manila yesterday evening.

Present at the banquet on the Philippine side were Foreign Minister Raul Manglapus, ex-President Hornorabir Macapagal and other high-ranking officials.

After stating the Philippines' high appreciation of Vietnam's cooperation in the search for a stable political solution to the Cambodia issue and Vietnam's desire to participate in the Treaty of Amity and Cooperation of Southeast Asia, she said: Through Party General Secretary Do Muoi we understand that you have been applying the system of market economy. This policy will surely constitute a back-up for the economic cooperation between Vietnam and the Philippines, ASEAN as a whole and other countries, thus bringing more prosperity to the whole region.

She continues: "I'm glad to note that Philippine Foreign Minister R. Manglapus's visit to Vietnam in November

1988 has helped strengthen the relations between the Philippines and Vietnam. I also note with satisfaction that what our two countries have studied and discussed together for many months is going to bear fruit. During your visit, three documents will be signed by our governments: an agreement on the establishment of a joint committee of commerce and a joint committee of economic cooperation, an agreement on investment support and protection and an agreement on navigation. Along with the strengthening of bilateral commercial relations, cooperation in other economic fields between the two countries will be considered".

In his reply, Premier Vo Van Kiet said: "Our two countries are geographically close together and share many similarities in natural conditions, culture and history. Particularly for a long period of time, our two countries were ruled by foreigners and we had to fight for our independence in different ways.

"We rejoice to note that since the late 1980s the relations of friendship and cooperation between Vietnam and the Philippines have been restored step by step.

"In order to build our country after nearly half a century of difficult struggle for national liberation and defence, we are embarking on allround renovation. To that end, we are implementing an open-door external policy, ready to cooperate with all countries in the world community in the interest of peace and development. First priority in that external policy is to constantly strengthen cooperation with countries in Asia and the Pacific, particularly with the Southeast Asian countries. That is why, Vietnam is ready to sign the Bali Treaty of Amity and Cooperation and to hold talks with other countries in the region. I firmly believe that such a policy completely fits in with the trend in the region and the interests of Southeast Asian countries which all cherish peace, stability and cooperation for development. We highly value the support for Vietnam's goodwill extended by the recent 4th ASEAN summit of which the Philippines played an important role as president.

Chairwoman Visits Australia, Meets Officials

BK2702055592 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 26 Feb 92

[Text] Recently, Nguyen Thi Binh, chairwoman of the Vietnam Union of Friendship and Peace Organizations, visited Australia at the invitation of the Australian-Vietnamese Friendship Association. During her visit, she paid a courtesy call on His Excellency Governor General Bill Hayden and visited Foreign Minister Gareth Evans and other Foreign Ministry officials.

Besides her contacts and working sessions with the Australian-Vietnamese Friendship Association, Women Union, Peace Committee, Trade Union, and other Australian organizations, Comrade Nguyen Thi Binh also paid working visits to the Organization for Coordinating Actions with Non-Governmental Organizations in Australia and the Australian Government Foreign Aid Agency. Through those contacts, the Australian Government has expressed its desire to strengthen cooperation with our country in economic, scientific-technological, and other fields.

In the past, a great majority of members of the Australian-Vietnamese Friendship Association and other Australian organizations and mass societies supported our people's anti-U.S. national salvation struggle. They continue to show their fine feelings toward Vietnam now.

Comrade Nguyen Thi Binh informed the Australian side of our people's initial achievements in the renovation and national construction as well as of the difficulties Vietnam faced at the start of its development program.

On this occasion, the comrade sincerely thanked the Australian Government and people for their friendship and valuable support for our people so far.

Chinese Delegation Visits Lao Cai, Yen Bai

BK2602144392 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 23 Feb 92

[Text] On 21-23 February, a delegation of the Chinese province of Yunnan led by Comrade He Zhiqiang, member of the Communist Party of China [CPC] Central Committee and governor of Yunnan, paid a working visit to the Vietnamese provinces of Lao Cai and Yen Bai. After holding talks with the Vietnamese authorities on the socioeconomic situation of these two provinces, the Chinese delegation signed an agreement on comprehensive cooperation with the two Vietnamese provinces on the basis of mutual interests, thus creating a prerequisite for concrete activities between the economic, cultural, and scientific-technological units of the two countries.

In the days ahead, Yunnan Provice will progressively expand its cooperation in, and carry out, the exploitation of such mineral ores as iron and copper in Lao Cai Province. It will also develop the local factory producing partition plates for electric cells and exploit graphite ore in Yen Bai Province. Yunnan Province will also engage in other projects aimed at strengthening trade, communications, postal service, education, and scientific-technological cooperation between the two countries.

The Chinese delegation visited a number of economic establishments in Lao Cai and Yen Bai Provinces. It will also visit the capital, Hanoi; Haiphong municipality; and Quang Ninh Province.

Chairman of Chinese Corporation Visits 20 Feb

BK2602153792 Hanoi VNA in English 1400 GMT 26 Feb 92

[Text] Hanoi VNA Feb.26—Mr. Lui Chuangwei, chairman of the China International Book Trading Corporation, has visited Vietnam at the invitation of the state enterprise for the export-import of books, periodioals and other cultural commodities (Xunhasaba).

On Feb.20 the Chinese guest had talks with Xunhasaba on their bilateral trade and exchange of books and periodicals.

On Feb.21 Mr. Lui and his party were received by Vo Khac Lien, deputy minister of culture, information and sport.

International Development Organization Gives Aid

BK2602155392 Hanoi VNA in English 1520 GMT 26 Feb 92

[Text] Hanoi VNA Feb.26—The Organisation of International Cooperation for Development and Solidarity (CIDSE), an international non-governmental organisation, has supplied relief aid to the provinces of Bac Thai, Thanh Hoa and Quang Binh which are suffering from serious shortage of food caused by natural disasters in 1991.

The aid, including 1,820 tonnes of wheat worth 1,565,200 Dutch florins (USd 869,555) was provided through the food aid programme of the European Community.

New Round of Oil Prospecting Bids Planned

BK2702014192 BANGKOK POST in English 27 Feb 92 P 17

[Text] Vietnam Oil and Gas Corp chairman Truong Thien revealed the plan as he indicated that the Petroleum Authority of Thailand (PTT) was one of the two strongest contenders to claim the right to undertake a natural gas separation plant project in southern Vietnam.

The chief of the Vietnamese national oil firm, also known as Petro-Vietnam, said in an interview here that there would be five tracts available for right holdings in the upcoming round—block numbers 1501, 1502, 1504/1, 1504/2 and 1504/3. The acreage of each tract is in the range of 2,500-3,000 square kilometres.

The new tender follows the most recent round of bids for rights to develop hydrocarbons in what is believed to be Vietnam's largest oil reservoir—the Dai Hung (Big Bear).

Mr. Thien confirmed nine foreign oil groups had taken part in the bid, the result of which was expected to be known in the second quarter of this year.

They included British Petroleum/Statoil of Norway; Nissho Iwai/Japan Petroleum Exploration and Indonesia Petroleum Ltd; Mitsui; Sumitomo/Total of France; Marubeni/Norsk Hydro; Korea Oil Development; BHP of Australia; Shell and Enterprise Oil.

Petro-Vietnam also would call another round of licensing for the remaining areas sometime in the future, he said.

Vietnam so far has awarded 26 blocks in its southern waters to western oil firms and has retained three offshore blocks for Vietsovpetro, the Vietnamese-Russian joint venture.

On PTT's proposal to build a gas separation plant in South Vietnam, Mr. Thien said Vietnam was negotiating with the Thai national firm on project terms, but said the PTT proposal was "favourable".

He said the PTT had teamed up with Mitsui of Japan to undertake the project, which is estimated to cost US$300 million. The PTT and Mitsui would jointly take a 70 percent stake in the project while Petro-Vietnam would maintain a 30 percent holding.

Petro-Vietnam hopes to finalise its evaluation of the PTT proposal by the second quarter of this year, according to Mr. Thien.

The gas plant is to be located in Vung Tao, near Ho Chi Minh City, and will process associated gas to be piped from Bach Ho (White Tiger), an offshore oil field in southern Vietnam some 120 km off Vung Tao. The field produces 70 million cubic feet per day of gas, now being flared off.

The plant would have the capacity to produce 150,000-200,000 tons per year of LPG. The PTT wanted to import all the LPG production to meet Thailand's increasing demand for this fuel.

Mr. Thien said Petro-Vietnam was prepared to hold more serious talks with American oil companies about petroleum exploration in Vietnam once the U.S. trade embargo with Vietnam was lifted.

Major American oil companies, including Unocal, Texaco, Mobil, Exxon, Amoco, Chevron and Union Texas, have "informally" discussed with Vietnamese authorities prospecting for hydrocarbons in Vietnam, he said.

Mr. Thien and Petro-Vietnam officials are in Bangkok to promote the Vietnamese oil industry at the international Oil and Gas/Chemical/Instrument trade show being held at the Queen Sirikit National Convention Centre.

Defense Minister Greets Brigade on Anniversary

BK2702095192 Hanoi Voice of Vietnam Network in Vietnamese 2330 GMT 24 Feb 92

["Contents" of letter from National Defense Minister General Doan Khue to the Hong Ha group of the General Rear Service Department on its 40th founding anniversary; date not given]

[Text] Dear Comrades:

On the occasion of the 40th glorious anniversary of the Hong Ha group, which has been the 649th brigade of the transport department of the general rear service department from 25 February 1952 to 25 February 1992, on behalf of the Military Commission of the Party Central Committee and the Ministry of National Defense, I would like to convey my kind regards and warm greetings to all the cadres, combatants, national defense workers and personnel, disabled and ailing soldiers, families of fallen combatants of the brigade, as well as to those of the brigade who have retired from work or been transferred to other sectors.

Under the leadership of the glorious Communist Party of Vietnam [CPV] and esteemed President Ho, and with a number of old canoes, barges, and motorized boats captured from the enemy or built by itself, the Hong Ha group was founded at the Lam river port in Hoa Binh and later developed itself into what is now the 649th brigade.

Throughout 40 years of fighting and development, with the concern and wholehearted, effective assistance of various sectors and echelons in and outside the army, together with the love and protection of the party organizations, administrative organs, and people in various localities—and by constantly developing the fine nature and glorious tradition of the heroic Vietnam People's Army and the heroic transport corps—cadres, combatants, workers, and personnel of all generations of the brigade have united unanimously in overcoming hardships and difficulties, undergoing sacrifices, and demonstrating their initiative, creativity, bravery, and persistence so as to outstandingly carry out all their military transport assignments. As a result, they have been able to make very worthy contributions to the achievement of national liberation and unification, the construction and defense of the socialist Vietnamese fatherland, and the fulfillment of their noble internationalistic duty.

At each stage of development, the Hong Ha group has always received the interest and encouragement of the party state and army and has won many valuable awards. Thousands of its cadres, combatants, workers, and personnel have also been decorated with medals.

On this occasion, I would like to warmly commend you, comrades, for your achievements over the past 40 years.

Dear Comrades, although there are new favorable opportunities, we still have to face many new difficulties and challenges. To successfully implement the resolutions of the Seventh National Party Congress, the Party Central Committee, and the Military Commission of the Central Committee on national defense work, it is necessary for you, comrades, to profoundly understand and scrupulously implement all the lines and policies of the party and state and the tasks of the army; to constantly improve your political aptitude; to persist in the socialist way; and to resolutely help make our army truly a revolutionary, regular, well-trained army, one that is gradually becoming more modernized.

It is also necessary for you to remain always vigilant and ready for combat; to ensure that maritime transportation work is carried out safely, on schedule, and in accordance with its requirements and destination under all circumstances; to uphold the sense of dynamism, creativity, and self-reliance; and to maintain unity and strict discipline. It is also necessary to attach yourselves closely to the people; to coordinate closely with, and seek help from, all sectors in and outside the army; to take care of, and effectively use, vessels and boats and all the existing technical equipement and facilities; to constantly care for the livelihood of troops; to make the brigade firm and strong in every respect; and to outstandingly fulfill all assignments. The aim of this is to join the entire party, people, and army in building and firmly defending the socialist Vietnamese fatherland.

May I wish you, comrades, good health and many outstanding achievements in the new revolutionary stage.

My cordial and determined-to-win salutations.

Atomic Energy Institute Reviews Performances

BK2702095992 Hanoi Vietnam Television Network in Vietnamese 1200 gmt 20 Feb 92

[Text] Although the National Institute of Atomic Energy has recently encountered many problems because of its limited funds, its various primary installations have achieved considerably well in serving the socioeconomic interests of the country.

The institute has sponsored two major state-level scientific and technical programs with outstanding results. They are the 50-A and 50-B programs for applying nuclear technology to the national economy which bear a positive effect on developing the application of nuclear technology to public health, agricultural biology, industry, geology, hydrology, and ecology. They help determine the reserves and allow the exploitation of resources, rare earth, and mineral ores in the country.

With a view to summarizing the institute's activities in the past two years, nearly 100 delegates of various research institutes and centers of the National Institute of Atomic Energy met and listened to reports on the operations of the institute over the past two years and proposed the main operational guidelines for the period from now until the year 2000.

Our state has advocated the policy of using atomic energy only for peaceful purposes by signing the Nuclear Nonproliferation Treaty. The treaty has authorized the International Atomic Energy Agency to control Vietnam's nuclear installations.

Minister on Press, Publishing Activities

BK2502141792 Hanoi Voice of Vietnam Network in Vietnamese 1000 GMT 24 Feb 92

[From the press review]

[Text] Concerning the need to restore order on the press and publishing front, LAO DONG publishes the contents of an interview between its correspondent and the minister of culture, information, and sports. In response to a question on whether our state will reorganize the press and publishing activities in 1992 and, if the answer is yes, which papers and publishing houses will be dissolved and which units will need to be developed and expanded, the minister of culture, information, and sports said: The press and publications under the management of central agencies and organizations must take the lead in the movement to correctly perform the functions and tasks of central press organs and publishing houses.

Constant efforts must be made to improve quality and meet the demands of the readership nationwide. Measures must be taken to improve the quality of papers, magazines, and publishing houses specializing in political, socioeconomic, scientific-technological, cultural, and artistic issues as well as in keeping the public informed of current developments, in propagandizing foreign policies, and in bringing books and publications to children and ethnic minority people.

Plans must be worked out to consolidate the quality of papers and publications belonging to the various provinces and cities so that the latter can correctly set goals aimed at implementing political tasks and meeting local people's demands. Measures must be taken to dissolve those papers, magazines, and publishing houses which do not meet set conditions and criteria, fail to implement set goals, or violate laws and regulations.

If there is not enough means to meet pressing demands or the needs of large numbers of the readership, then measures should be taken to establish additional papers and publishing houses, bearing in mind the need to meet the conditions set by the Council of Ministers' resolution 384 dated 5 November 1990.

Department Officials Convicted of Corruption

BK2602151792 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 23 Feb 92

[Text] From 19-22 February, the Supreme People's Court held a trial of four officials of the National Reserves Department—namely, Tran Kien An and Nguyen Nhu Hai, respectively former head and deputy head of the National Reserves Department; Duong Viet Cang and Tran Binh Thanh, respectively planning office chief and senior accountant of the National Reserves Department—"on the charge of lacking a sense of responsibility, that led to serious consequences. In addition, Tran Kien An was also found guilty of accepting bribes."

The following is an eye-witness account of how the crimes were committed:

"During the period from February 1989 to October 1990, the Council of Ministers issued many decisions governing the exchange of merchandise for unhusked rice and the purchase of 850,000 metric tons of unhusked rice to increase the state's foodgrain reserves. The National Reserves Department was responsible for implementing these decisions."

In exchanging merchandise for unhusked rice and receiving money for its purchase, the National Reserves Department and its subordinate units "displayed many negative phenomena, causing great loss to the state's property."

According to a report by the National Reserves Department, "the quantities of unhusked rice it kept in stock as of 31 December 1989 were 753,736 metric tons. But a check of 223,151 metric tons alone found that 93,233 metric tons had been lost."

Although they had received money to purchase unhusked rice for keeping in reserve, almost none of the subordinate units of the department bought enough unhusked rice in accordance with the set quota. "A check of various rice depots of 16 subdepartments found that, as of 31 July 1991, there were 44,490,777 kg of unhusked rice less than what there were supposed to be."

The reason for the aforementioned situation is that many units of the department "had violated stipulations on the exchange of merchandise for unhusked rice. They had also breached regulations on financial accounting. Consequently, as of 25 June 1991, some 152 legal actions had been taken against 370 people, including 63 cadres of the reserves sector, for having misappropriated 48,578 metric tons of unhusked rice valued at 49,576 billion dong."

It is reported that "the National Reserves Department had over the years released large quantities of merchandise—such as cars, auto parts, gasoline, oil, iron, steel, and western medicine of all sorts—either to exchange them for unhusked rice or to sell them for money. As the prices of that merchandise sold by the National Reserves Department to its customers were normally much lower than those on the market, many public organs, localities, and individuals took advantage of this situation to falsify their invoices in order to enrich themselves with ill-earned money."

After four days of hearing, the court sentenced Tran Kien An, Duong Viet Cang, Nguyen Nhu Hai, and Tran Binh Thanh to 42 months, two years, 18th months, and one year imprisonment respectively.

Workshop Held on Renovation of Union Activities

BK2602155992 Hanoi VNA in English 1532 GMT 26 Feb 92

[Text] Hanoi VNA Feb.26—A workshop titled "Role, Function and Organisational Model of Vietnam Trade Union in the Socialist-Oriented Multi-sector Commodity Economy" was held here recently by the Confederation of Vietnamese Workers.

Nearly 30 reports read at the workshop pointed to the need of a new outlook on the trade unions so as to reform its organisation aimed at protecting the rights and interests of the working people and make of the trade unions the link between the working people and the leading party and the collaborator of state offices.

Many speakers urged drastic changes in the form of activity of the trade unions to enable them to answer the aspiration and interests of the working people in a multi-sector economy.